

Legislature of Ontario Debates

Thursday, April 25, 1974 – Friday, May 31, 1974

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Legislature of Ontario Debates

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Fourth Session of the Twenty-Ninth Legislature

Thursday, April 25, 1974

Afternoon Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, APRIL 25, 1974

The House met at 2 o'clock, p.m.

Prayers.

Mr. J. F. Foulds (Port Arthur): Mr. Speaker, I would like to introduce to you and to the members of the Legislature a group of grade 7 students from Cornwall Public School in Thunder Bay in the riding of Port Arthur. They are in the east gallery.

Mr. E. J. Bounsall (Windsor West): Mr. Speaker, I'm sure you and the members of this House will join me in welcoming a very fine group of grade 12 and grade 13 students in the east gallery from Vincent Massey Secondary School in the city of Windsor from the riding of Windsor West.

Mr. D. A. Evans (Simcoe Centre): Mr. Speaker, through you to the members of the Legislature, I would like to introduce 20 students of grade 12 from Barrie District North Collegiate, along with their principal, Mr. Wayne Kirk.

Hon. J. W. Snow (Minister of Government Services): Mr. Speaker, I would like to introduce to the House a group of students from the riding of Halton East who attend the new Central School in the town of Oakville and who are touring Queen's Park and visiting with us here today during Education Week.

Mr. Speaker: Statements by the ministry.

INDUSTRIAL MILK PRICES

Hon. W. A. Stewart (Minister of Agriculture and Food): Mr. Speaker, I wish to inform the Legislature of the representation made yesterday by the government of Ontario to the federal Minister of Agriculture concerning the recently announced federal dairy product price support and industrial milk subsidy increases. At that meeting, we suggested ways of placing the industry on a sounder economic base.

On July 1, 1973, our government responded to the need for increased industrial milk production by adopting the industrial milk production incentive programme. This programme encourages the expansion of industrial milk herds and the modernization of production facilities through a system of guaranteed bank loans. We had recommended loans totalling over $16 million to close to 1,300 farmers as of April 4, 1974, which should result in an increase of over 160 million lb of industrial milk over the next two years.

IMPIP encourages industrial milk expansion but the 1974 federal dairy policy does not go far enough in providing the incentive to maintain and increase industrial milk production. The Ontario government supports the Dairy Farmers of Canada, the national milk producer organization, in its continuing bid for an overall increase in returns to industrial milk and cream producers equivalent to at least $2 per 100 lb of milk over the 1973-1974 dairy support programme.

According to the federal policy more than half this amount has been provided. I might add we have received unanimous support for this needed price increase from the Quebec Minister of Agriculture, the Hon. Normand Toupin, who joined me in meeting the federal minister and the dairy farmers of our neighbouring Province of Quebec.

In our opinion, the needed price increases must come from both the marketplace and the federal government. In this regard, we urged the federal Minister of Agriculture to increase immediately the product price of butter by two cents a lb and the product price of skim milk powder by two cents a lb. This action would result in an increase to producers of 25 cents per cwt. The remaining price increase necessary to meet the Dairy Farmers of Canada's request should come by additional federal subsidy.

This action, while not meeting every dairy farmer's requirements, would provide greater assurance of a fair return on investment, labour and capital. We believe it is essential to assure Ontario consumers of an adequate supply of dairy products.

We are pleased with the federal government's recent announcement to pay subsidies to group I producers, on all milk over and above an excess of six per cent over fluid

sales. Previously the level was 115 per cent of fluid sales. This will encourage fluid milk producers to increase their output thereby making more milk available for industrial purposes. We welcome the decision to extend the industrial milk subsidy to all milk shipments covered by the market-sharing quota thereby bringing to a virtual end the subsidy eligibility quota which has previously been in effect.

I wish to emphasize that the suggested price increases would accrue to the producer; no processors should benefit from these higher levels since in fact their cost margins should remain stable at current levels.

On a more philosophical note, I have been asked why even bother saving this province's dairy industry. If I may quote from the 1974 dairy policy statement of the Dairy Farmers of Canada:

> National policy in Canada is that the requirements of the Canadian consumer for milk and milk products should, with few exceptions, be met from Canadian production. That policy should and must be retained. If today's evidence of the problems and uncertainties in world food production and in the world economy, teach anything, it is that it would be the worst kind of mistake to sacrifice a policy of regular and dependable supply from Canadian production for imagined, and to say the least highly uncertain, benefits of a policy of allowing the Canadian industry to decline and to increase reliance on imports. Not to utilize the great agricultural resource base of Canada to produce our dairy product needs would be a tragedy.

Mr. Speaker, such a tragedy confronted this province a few years ago and now we are paying the consequences. There is no better illustration of the devastating effect on consumer prices as the result of a loss of a Canadian industry than the demise of the Ontario sugar beet industry. We lost that industry because there was no requirement that Canada must produce a certain percentage of her total sugar requirements. Most other countries such as the United States and the United Kingdom do have such a policy.

The result was that sugar processors could buy, at that time, raw liquid sugar, surplus to world market requirements, for less than they would pay Ontario farmers to grow sugar beets. The federal government either had to provide substantial subsidies to beet growers or establish a minimum requirement for domestic sugar production. Neither was done. The industry died. World sugar demands grew. World production has not kept pace. We have no sugar beet production in Ontario, and Canadian consumers are almost totally at the mercy of foreign-controlled sugar imports.

Mr. I. Deans (Wentworth): At the time they were going under, where was this government?

Hon. Mr. Stewart: Today's sugar prices reflect the consequences of this situation.

Mr. E. W. Martel (Sudbury East): The Minister of Agriculture and Food watched them go.

Mr. Deans: He waved goodbye.

Hon. Mr. Stewart. The wholesale price of sugar has leaped over 450 per cent from 1965 to 1974. One industry died; another must not.

Mr. S. Lewis (Scarborough West): No, this government killed it.

Mr. R. F. Nixon (Leader of the Opposition): If the government had supported them, they would still be in business.

Mr. Lewis: The government provided the death blow.

Hon. Mr. Stewart: This, Mr. Speaker, is why the government of Ontario has taken such a firm stand on the necessary price increases for the industrial milk producer consistent with the request of Dairy Farmers of Canada.

VIOLENCE IN AMATEUR HOCKEY

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, I would like to inform the Legislature that upon the request and recommendation of the director of my sports and recreation bureau, I have instigated an investigation pursuant to section 7(a) of the Athletics Control Act.

I wish to assure the members that the Premier (Mr. Davis) and I share the concern of all the members of this House and of the public at large at what appears to be the increasing violence in hockey at the amateur level. It is essential, in the view of this government, that the young people of this province can participate in sporting activities without fear of injury, either from the opposing players on the field or from the fans in the stands.

The departure point for this investigation is the situation concerning the withdrawal of the Bramalea junior hockey team from the Ontario Hockey Association's playoff series with Hamilton and the subsequent suspension of the team and their officials by the Ontario Hockey Association.

I have appointed Mr. William R. McMurtry, QC, counsel to the Toronto law firm of Blaney, Pasternak—

Interjections by hon. members.

Hon. Mr. Brunelle: I surmise, Mr. Speaker, that I have the approval of the members of the loyal opposition.

Mr. R. F. Nixon: A well known sport.

Mr. Lewis: He is even a poor loser.

Hon. Mr. Brunelle: Mr. McMurtry's family is well known in the sports field.

Mr. V. M. Singer (Downsview): A real old sport.

Mr. Martel: He is known as the loser too.

Mr. Lewis: Come on, stop this.

Mr. Speaker: Order please.

Hon. Mr. Brunelle: His father played for the Toronto Argonauts in the 1920s—

Mr. Lewis: Will the minister stop this?

Mr. Speaker: Order, please.

Hon. Mr. Brunelle: And both he and his brother have been involved in amateur sports all their lives.

Mr. Lewis: Who cares?

Mr. T. P. Reid (Rainy River): He is not an amateur in politics.

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. Brunelle: McMurtry himself participated in five intercollegiate sports, played hockey for the Royal Military College and Osgoode Hall and was, I believe, a Rhodes scholarship candidate.

He has coached hockey, Mr. Speaker, from tike to peewee, and the Trinity College football team at the University of Toronto.

Mr. Lewis: The minister has got to be kidding. I played for the Harbord Juniors.

Hon. Mr. Brunelle: He has played for both Ontario and Canada in rugger.

Mr. R. F. Nixon: Tell us what he did in St. George.

Hon. Mr. Brunelle: Over the last several years he has developed a specialized knowledge in sports litigation, from several perspectives.

Mr. Singer: He engaged in sport as a Tory candidate.

Hon. Mr. Brunelle: I have asked Mr. McMurtry to examine—

Mr. Deans: There aren't many of those around.

Mr. Speaker: Order, please.

Mr. R. F. Nixon: What better sport can there be than that?

Mr. Lewis: What is his per diem for that?

Hon. Mr. Brunelle: I have asked Mr. McMurtry to examine the full circumstances and implications arising from this case and report at the earliest opportunity.

HEALTH AND SAFETY HAZARDS AT ELLIOT LAKE

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, at this time I would like to make some further comments on a subject raised in the House last Monday by the leader of the New Democratic Party (Mr. Lewis).

At that time he referred to the work stoppage at the Consolidated Denison Mines in the Elliot Lake area and suggested that it was the result of worker dissatisfaction with the efforts of my ministry in the area of working and environmental conditions.

Mr. Martel: With "no" effort!

Hon. Mr. Bernier: In order to appreciate the whole situation, it is necessary to look at a larger piece of time than the past seven days. As the members know, the development of the uranium mines in the Elliot Lake area took place during the mid-1950s. It is fair to say that while certain technology was available with respect to hardrock mining, there was little in the way of experience in the mining and handling of uranium-bearing ores.

As part of our regular programme, the mines at Elliot Lake have been monitored regularly for dust and radiation levels. It was recognized quite early that a higher silica content in the Elliot Lake ores posed a greater hazard to miners. In 1958 Dr. Paterson reported on the effect of the higher silica levels. This was in a report made following an

investigation of silicosis in miners throughout Ontario. A more recent report by Dr. Paterson is currently being printed and will be available shortly.

Mr. Martel: It has been in print since 1970.

Mr. W. Ferrier (Cochrane South): It was six years in the making.

Hon. Mr. Bernier: Last November representatives of the United Steelworkers of America met with myself and the Minister of Health. The purpose of the meeting was for the union to present their views that workers in the uranium mines in Elliot Lake were being subjected to abnormal hazards.

Following our meeting with the union, the Minister of Health and myself agreed that two things would happen. One, a complete medical study of the workers in the uranium mines would be carried out by the Ministry of Health; and two, a study of underground working and environmental conditions would be carried out by my staff.

Commencing in January of this year, the Minister of Health has to date x-rayed some 900 workers from the Elliot Lake camp. The results of these x-rays are currently being analysed by the staff of the Ministry of Health. My ministry requested the federal Department of National Health and Welfare to assist in the techniques and instrumentation associated with the measuring of the levels of radiation in the mines. Following this, my staff prepared a proposal for the underground environmental survey and this was presented to representatives of the union at a meeting on April 16 of this year.

Mr. Martel: Hurray!

Hon. Mr. Bernier: In addition to the union representation at this meeting, there was staff from the Ministry of Health and my own ministry, as well as the hon. member for Windsor West. In a letter to me, the hon. member indicated his general support for the proposal put before the union members. I think it is fair to say that the union felt we were attempting to deal with the situation.

Mr. Lewis: They thought that of the Ministry of Health not of Natural Resources.

Hon. Mr. Bernier: On a slightly different subject, I am informed that on April 4 the Steelworkers union sent letters to both Denison Mines and Rio Algom Mines requesting two things: One, an improvement in health environmental conditions; and two, a cost of living subsidy.

On April 16 the Rio Algom Co. advised employees they would be receiving a special allowance for cost of living increases. I believe the lack of response or action on the part of Consolidated Denison caused the employees to stop work on April 18. It appears that Denison subsequently indicated to the employees they would pay a similar subsidy but only after the plant had been working for 24 hours.

Mr. Martel: They said they would consider it.

Hon. Mr. Bernier: An attempt on the part of the NDP to suggest that the walkout had only to do with working conditions ignores the wage issue completely.

Mr. Lewis: The work conditions are the issue.

Hon. Mr. Bernier: The leader of the NDP is always taking things out of context and exaggerating. That's all he does.

Mr. Lewis: The working conditions are the issue. Why are they still out? Why did they meet with the Premier?

Mr. Martel: That is a bare-faced lie. Why did the ministry meet 500 members? What was the issue?

Hon. Mr. Bernier: That's all he does. He goes to the north country and comes back with half the information.

Mr. Speaker: Order.

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. Bernier: Get down to the facts. Just listen to the facts.

Interjections by hon. members.

Mr. Speaker: Order, please.

Hon. Mr. Bernier: We have been meeting and keeping in touch with the union on working conditions.

Mr. Lewis: The devil they have!

Hon. Mr. Bernier: As I mentioned, on April 16 they had been fully informed of our plans and agreed with them 100 per cent, as the NDP's own member did.

Mr. Lewis: Nonsense!

Mr. Martel: Nonsense!

Mr. Lewis: Why are they still out? The minister has a rotten department.

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. Bernier: My staff attended a meeting on April 22 in Elliot Lake with some 300 union members and others present.

Mr. Lewis: There were 500 union members.

Hon. Mr. Bernier: Exaggeration again.

Mr. Martel: I was there.

Hon. Mr. Bernier: A lengthy list of complaints was subsequently made available to our staff on April 23.

Mr. R. K. McNeil (Elgin): They can't count. They always exaggerate.

Hon. Mr. Bernier: It appears that many of the complaints have to do with the terms and conditions of employment rather than health or safety measures.

Mr. Martel: That's a pile of nonsense.

Hon. Mr. Bernier: However, my staff are investigating each of their complaints, although some of the investigations must await the reopening of the mine. It is worth pointing out, Mr. Speaker, that there are normal channels for the handling of this type of grievance, and in our opinion they were not being followed.

Interjections by hon. members.

Hon. Mr. Bernier: Had they been, we would not have reached the point where 60 items have been accumulated to date.

Mr. Martel: The minister is a disgrace.

Mr. Lewis: There are men in the uranium mines. The ministry should look after those men.

Mr. Speaker: Order.

Hon. Mr. Bernier: In summary, Mr. Speaker, the Minister of Health (Mr. Miller) and myself are very much concerned with the health and the safety of workers in the mines of Elliot Lake and in other mines in this province.

Mr. Lewis: He's concerned!

Mr. Martel: He's concerned! This ministry isn't concerned.

Mr. Speaker: Order.

Hon. Mr. Bernier: Evidence of this is shown in the programmes each of us are having carried out. However, it does appear there are those who have attempted to use the working conditions as a reason for the work stoppage, when in fact it appears to have more to do with the cost of living increase.

Mr. Lewis: Oh, come on.

Hon. Mr. Bernier: I understand that at the present time the union is refusing to let the workers go back to work until the company has made an unqualified commitment on the wage issue.

Mr. Lewis: The union is refusing to let them go back? They don't want to go back.

Hon. Mr. Bernier: On the other hand, the company appears to be waiting for the men to go back to work.

Mr. F. Laughren (Nickel Belt): That is so much crap.

Hon. Mr. Bernier: Meanwhile, we are continuing to do all we reasonably can in the area of health and environmental conditions.

Mr. Martel: The minister is doing nothing.

Mr. Lewis: He is an irresponsible, reckless minister. He doesn't give a damn about the workers. What an awful statement that was. What an awful statement.

Mr. Speaker: Order.

Interjections by hon. members.

Mr. Speaker: Order, please. Order.

Mr. Lewis: That statement was written for the minister by the mining industry. What a ridiculous statement to make in the House. Seven hundred workers are out because of safety conditions.

Mr. Laughren: Go up to Elliot Lake.

Mr. Martel: Does the minister ever get off his knees in the corporate board rooms?

Mr. Speaker: Order, please.

Oral questions.

The hon. Leader of the Opposition.

Mr. R. F. Nixon: I would like to ask a question of the Minister of the Environment.

Mr. Martel: The minister is a disgrace to the ministry. He should get off his knees.

Hon. Mr. Bernier: The member doesn't know what's going on.

Mr. Martel: I was there with them.

Mr. Speaker: Order, please. Perhaps we could have order.

Mr. Martel: Well, tell him not to tell so many lies.

Interjections by hon. members.

Mr. Speaker: The hon. Leader of the Opposition has the floor.

Mr. R. F. Nixon: I don't want to interfere with free speech.

AIR POLLUTION IN SUDBURY

Mr. R. F. Nixon: Further to the decision by the Minister of the Environment to reduce the operation at the nickel smelter in Sudbury on Tuesday because of the high level of pollution, is he going to announce that Falconbridge in Sudbury is going to be required to clean up its general operation on a more rapid timetable; or is he going to stick with the two-year extension which was granted by his predecessor and which has allowed them to maintain their operation at the present level?

Hon. W. Newman (Minister of the Environment): As the hon. member knows, we shut them down completely yesterday. I will be in Sudbury tomorrow to look at the total situation.

Mr. R. F. Nixon: A supplementary: Since the Falconbridge corporation is reported to have had a net income last year of $55 million, about 10 times more than its profit in 1972, wouldn't the minister now agree that Falconbridge can afford to install the anti-pollution equipment in a much shorter period of time and that the two-year extension granted by the minister's predecessor should be reviewed?

Hon. W. Newman: As I said, I'm going to be in Sudbury tomorrow, and while I don't know how soon the equipment can be available, I'm going to look at the whole matter in a meeting with my staff up there tomorrow.

Mr. D. C. MacDonald (York South): The more time the minister gives them the longer they'll delay in implementing environmental controls.

Mr. R. F. Nixon: A further supplementary: Would the minister not agree that under the circumstances, the argument put forward by Falconbridge, that the financial impact of the requirement made by the minister's predecessor was such that it could not live up to it, should be reviewed? Surely the minister could give us that concession.

Hon. W. Newman: I have just finished telling the hon. member that I'm going to review the matter and I'm going to be looking at the whole situation when I'm there tomorrow. Did he hear me?

Interjections by hon. members.

Mr. Speaker: Order. The hon. member for Sudbury East has a supplementary.

Mr. Martel: A supplementary, Mr. Speaker: Has the minister asked Falconbridge and Inco to explain their economic position, which was the reason given by his predecessor for granting them a two-year extension?

Mr. D. H. Morrow (Ottawa West): Question.

Mr. Martel: Have they been forced to show why this economic picture, which was so bleak in 1972, was in fact 10 times brighter last year in terms of returns?

Mr. Lewis: Ten times higher? Profits went up 773 per cent in one year.

Hon. Mr. Newman: I believe I will give the hon. member the same answer I gave to the Leader of the Opposition, that I'm going to be in Sudbury tomorrow.

Mr. Martel: That's a stall.

Mr. MacDonald: It is a stall.

Hon. Mr. Newman: It's not a stall. I'll be there tomorrow.

Mr. Lewis: Well, supplementary—

Mr. Speaker: The hon. member for Waterloo North has a supplementary.

Mr. E. R. Good (Waterloo North): Could the minister advise the House whether the stack sampling equipment, which his predecessor said last year would be in operation in four months, is now collecting data?

Hon. W. Newman: We are collecting data there daily. As the hon. member knows, there are cases before the court now involving one of the companies.

Mr. Good: I am talking about the stack sampling setup. Is it in operation now?

Mr. Speaker: The hon. member for Scarborough West.

Mr. Lewis: Has the minister reviewed the ministerial order with a view to rescinding it immediately?

Hon. W. Newman: I am constantly reviewing ministerial orders on all the companies we are dealing with.

Mr. Lewis: I am asking the minister about Falconbridge.

Hon. W. Newman: I have reviewed it, yes, but I haven't made any decision on it as yet.

Mr. Speaker: There have been five supplementaries, which is sufficient. The hon. Leader of the Opposition.

ALLEGED AIR POLLUTION FROM METAL COMPANIES

Mr. R. F. Nixon: Mr. Speaker, a second question of the same minister, really on an allied subject.

In light of the fact that a Ministry of the Environment official has stated that lead levels in the soil around the Canada Metal Co. plant are as high as 10,000 parts per million, is the ministry now prepared to at least consider the financing of the cost of replacing the soils around the Canada Metal and Toronto Refiners and Smelters Ltd. plant, as the Toronto city council requested during the last year?

Interjections by hon. members.

Hon. W. Newman: We are prepared to co-operate with the MOH and the city of Toronto on any programme they decide upon.

Mr. R. F. Nixon: Supplementary: Since the minister said he is reviewing these ministerial orders on a regular basis, and since his predecessor indicated clearly that a special review of the lead poison situation in the south part of Toronto would be undertaken, can't the minister say something more than he is prepared to give it further consideration? His predecessor gave the same undertaking. Surely the consideration must eventually result in a decision?

Hon. W. Newman: I said we were prepared to co-operate with the city of Toronto and the MOH. I am also not really in a position to give details of our new monitoring in the area since the new control devices have gone into operation. We have new control devices on Canada Metal Co. and from what I understand from our people they are working very well. They have had some start-up problems, but they are working fairly well at this point in time.

Mr. R. F. Nixon: Supplementary: Is the minister aware that his supervisor of air quality is reported to have stated that the Canada Metal and Toronto Refiners and Smelters plants are major sources of lead pollution? And since it is undoubtedly the lead pollution that is harmful, and at least in some cases fatal, would the minister not now act to take some more substantial position than simply the continuing review that we have been treated to now for 15 months?

Hon. W. Newman: As the member knows, the Ministry of Health has set up an advisory committee to deal with the effects of lead on the human body.

Mr. Reid: Get the lead out!

Hon. W. Newman: They are studying it at this point in time. Can the member find the doctors who can agree? There has always been a certain amount of disagreement on what level of lead is really that serious, and this is what the committee was appointed for, to look into this matter.

Mr. R. F. Nixon: Supplementary: When are they going to give the minister a substantial report? It seems to me the committee was set up to get it off the back of the minister's predecessor, and this minister has been able to shirk his responsibility through reference to the committee too.

Hon. W. Newman: That's a lot of nonsense. The Minister of Health just appointed this committee, I think, some three weeks ago.

Mr. Good: The problem has been around for years.

Hon. W. Newman: So has the member.

Mr. Speaker: The hon. Leader of the Opposition.

EXTENSION OF QEW

Mr. R. F. Nixon: I'd like to ask a question of the Minister of Transportation and Communications.

Can he give a report to the House on the government plans to expand the Queen Elizabeth Way from Hamilton or Burlington to Niagara Falls and Fort Erie? Is it a basic policy, already accepted, that there will be a 12-lane facility even over Burlington Bay in the future.

Hon. J. R. Rhodes (Minister of Transportation and Communications): Mr. Speaker, I can't give the member a complete, detailed report at this time, but there certainly are studies going on as to expanding that section of the Queen Elizabeth Way; and there

is a consulting firm now looking at increasing the carrying capacities over Burlington Bay or under it.

Mr. R. F. Nixon: Supplementary: Can the minister indicate what implication this will have for this year's budget? And has there been an environmental impact review, particularly since the Niagara fruit belts will be affected by future development and have already been seriously affected by the expansion of that road?

Hon. Mr. Rhodes: Mr. Speaker, I think it is fair and accurate to say that anything that will be done in the area will be done with the usual ministry policy of going in and having complete discussions with all of the people in the area; and carrying out our—

Hon. R. F. Nixon: Not if it is to be done as it was in the past. That's not good enough.

Hon. Mr. Rhodes: —environmental impact studies. We have people in the ministry taking care of that. I'll get whatever information I can for the hon. member and make it available to him.

Mr. R. F. Nixon: I wish the minister would. I appreciate that.

Mr. Speaker: The hon. member for Scarborough West.

INDUSTRIAL MILK PRICES

Mr. Lewis: Yes, a question first, Mr. Speaker, of the Minister of Agriculture and Food:

In his statement he says:

> I wish to emphasize the suggested price increases would accrue to the producer; no processors should benefit from these higher levels, since in fact their cost margin should remain stable at current levels.

Why, then, did the government allow the processors and the giants of the dairy industry to take 1.6 cents a quart I think it was, on the recent price increase in milk?

Hon. Mr. Stewart: Mr. Speaker, this decision was made in conjunction with the Milk Marketing Board of the Province of Ontario which agreed to that breakdown in the five cent increase to the consumer. It was substantiated in an appeal before the Milk Commission, when the processors wished to have a greater percentage of the five cents a quart.

The Ontario Milk Commission substantiated the Milk Marketing Board's position that the breakdown, I believe it is 1.6 cents, was warranted insofar as the figures that were presented to the Dairy Processors' Council to both the Milk Marketing Board and the commission could be substantiated.

Mr. Lewis: Well by way of supplementary, how is it that the minister has taken a government position in this case but not in the other, serving notice on everyone that he will not allow the processors to have more?

Hon. Mr. Stewart: I am quite careful about that, Mr. Speaker.

Mr. Lewis: The minister is very explicit about it.

Hon. Mr. Stewart: I simply say that in this case—

Mr. Lewis: "No processor should benefit from these higher levels," is what the minister is saying.

Hon. Mr. Stewart: Right—"should." I said should; and that is a matter for the Milk Commission to determine if and when that increase is granted.

Mr. Lewis: I see.

Hon. Mr. Stewart: I simply expressed an opinion here as far as I am concerned.

Mr. Lewis: Just an opinion. I see. Well, why did the minister express an opinion in this case and not in the other?

Hon. Mr. Stewart: I will go further, Mr. Speaker, to suggest that we are talking about industrial milk prices here.

Mr. Lewis: I understand that.

Hon. Mr. Stewart: The other case was fluid milk—

Mr. Lewis: I understand that.

Hon. Mr. Stewart: —bottled milk. There is quite a difference.

Mr. Lewis: Well, further—All right, go ahead.

Mr. R. F. Nixon: A supplementary, Mr. Speaker.

I want to talk about the other section of the minister's statement, if the member wants to continue with the milk business.

Mr. Lewis: Just one other question: Why did the minister take such a tough stand in this case but refuse to protect the consumers of Ontario in the fluid milk case?

Hon. Mr. Stewart: Mr. Speaker, we were protecting the consumers of Ontario in the fluid milk case.

Mr. R. F. Nixon: By raising it five cents a quart.

Interjections by hon. members.

Hon. Mr Stewart: Exactly. A five cents a quart increase at consumer level was an assurance that there is going to be milk available in the future.

If my hon. friend—

Mr. Lewis: Profit for the dairy industry is what the minister gave.

Hon. Mr. Stewart: If my hon. friend would read further in that statement—

Mr. Lewis: I have read the statement.

Hon. Mr. Stewart: I suggest that if he would look at what happened to the sugar industry in this province—

Mr. Lewis: The minister did that!

Interjections by hon. members.

Mr. Lewis: The minister put the nail in the coffin of the sugar industry.

Mr. Speaker: Order. Order.

Hon. Mr. Stewart: We did no such thing, Mr. Speaker, at any time.

We said, and will repeat, and now the federal government's position—at least the position of the federal Minister of Agriculture—is in accordance with what I said at that time, that unless there was a national sugar policy whereby there would be a certain percentage of the domestic sugar requirements of this country produced in Canada, there was no way that we could assure the continuance of the sugar industry.

Interjections by hon. members.

Mr. R. F. Nixon: Supplementary to the minister's statement—both as he read it originally and in answer to the last question: Does he not agree with those many people in the agricultural industry, and specifically the sugar industry, who felt at the time the industry was closed down that while a national policy was inadequate, still the government of this province had a prime responsibility to see that that industry was maintained and that it was a matter of contention in this Legislature, with a clear alternative that the—

Mr. Lewis: It sure was.

Mr. R. F. Nixon: —minister had and he rejected it—

Mr. Lewis: That's right.

Mr. R. F. Nixon: —and now he is saying it is a mistake, as we said at the time.

Mr. Lewis: He had a clear alternative.

Hon. Mr. Stewart: I maintain the same position now as I did then, and my hon. friend the Leader of the Opposition jumps on his political podium and says, "Let's make political hay," or words to that effect.

Interjections by hon. members.

Mr. R. F. Nixon: He is quick to criticize people, but he cannot take criticism when he is responsible.

Hon. Mr. Stewart: The real truth of the matter is that at that time the federal Minister of Agriculture and his cabinet colleagues with whom we met, in conjunction with the Sugar Beet Producers' Marketing Board, clearly indicated they would not establish a national sugar policy—

Interjections by hon. members.

Mr. R. F. Nixon: The minister should have maintained it here. He could have done it.

Hon. Mr. Stewart: —and at that time there was no way that we could maintain an active industry here.

Mr. Lewis: The minister should have done it.

Interjections by hon. members.

Mr. Speaker: Order, order.

Mr. R. F. Nixon: He criticizes other people.

Hon. Mr. Stewart: No, we are not criticizing other people.

Mr. Lewis: And he has given a ripoff to the processors in the dairy industry.

Hon. Mr. Stewart: That is why I support the federal minister in his campaign to establish a national sugar policy for Canada. And if the Leader of the Opposition would jump on the bandwagon with half as much enthusiasm with his friends in Ottawa as he does in this House regarding a national sugar policy for Canada—

Interjections by hon. members.

Mr. Speaker: Order!

Hon. A. Grossman (Provincial Secretary for Resources Development): That won't sweeten them up.

HEALTH AND SAFETY HAZARDS AT ELLIOT LAKE

Mr. Lewis: A question, Mr. Speaker, of the Minister of Natural Resources, if I may.

Interjection by an hon. member.

Mr. Lewis: Have the minister's officials reported to him that the 500 workers who gathered in the hall at Elliot Lake last Monday night were not exercising their antagonism to the Ministry of Health, but one after the other were registering their antagonism toward and disappointment in the Ministry of Natural Resources for having betrayed them in terms of providing protections in the Denison Mines?

Has that yet been reported to him?

Mr. Laughren: They were right on.

Hon. Mr. Bernier: Mr. Speaker, I have a report from the staff and a list of the—

Mr. Lewis: We have a transcript. The minister had best be careful.

Hon. Mr. Bernier: —complaints which number 60 in all. As I said in my earlier statement, there is a proper procedure for the men to follow, by which they can go through the various supervisors and to the staff, and then my ministry employees become involved.

Interjection by an hon. member.

Mr. Laughren: We've heard a lot about—

Mr. Martel: Their names weren't even posted.

Hon. Mr. Bernier: We have two inspectors in the Elliot Lake area.

Interjecion by an hon. member.

Hon. Mr. Bernier: They are always there to co-operate.

Mr. Lewis: Remember this one?

Hon. Mr. Bernier: But these problems were not brought to our attention.

Mr. Martel: Their names weren't even posted.

Mr. Speaker: Order.

Hon. Mr. Bernier: Now they have been brought to our attention the member can rest assured we will look at every one of them individually.

Mr. Lewis: The minister didn't know the problem existed?

Mr. Speaker: The hon. member for Scarborough West.

Mr. Martel: A supplementary.

Mr. Speaker: A supplementary? The hon. member for Sudbury East.

Mr. Martel: In view of the report by the Ministry of Mines which in 1961 indicated there were problems with respect to ventilation and gas, how many tests has this ministry conducted with respect to gas and dust until Noverber, 1973?

Hon. Mr. Bernier: Mr. Speaker, I would report to the hon. member from Sudbury—I want to welcome him back to the Legislature; we've missed him in the House for some considerable time.

Mr. MacDonald: Deal with the question.

Mr. Lewis: Answer the question.

An hon. member: The minister hasn't been around that much himself.

Mr. Martel: He wasn't here on Tuesday. He shouldn't shoot his mouth off.

Hon. Mr. Bernier: There have been tests untold and I'll get the exact number and report to the member. I want to say to the member that those particular mines in the Elliot Lake area have spent considerable sums in the last few years at the insistence of my ministry to improve their ventilation.

Mr. Ferrier: The men's health has been destroyed.

Mr. Martel: Would the minister be surprised to learn that the only tests which have been taken have been by Denison; and this ministry has accepted those tests, which in fact have all been cooked?

Mr. Laughren: Same old story.

Hon. Mr. Bernier: Mr. Speaker, I am not aware of that particular statement, but I want to make it very clear that in our discussions with the union in the last few months we have indicated to them that they can accompany our staff. They can be right with us as will be the representatives of the company; the union can be with them when those tests are taken through all parts of the mine.

Mr. Lewis: Sure, 12 years after the report.

Mr. Martel: By way of supplementary, have I made—

Mr. Lewis: By way of supplementary, if I may?

Mr. Speaker: The hon. member for Scarborough West. The hon. member for Sudbury East has had two supplementaries.

Mr. Martel: That's just too bad. It's an important issue.

Mr. Speaker: The hon. member for Scarborough West. Are there any further questions?

Mr. Lewis: I have a supplementary of this minister. Does the minister recognize that the 700 workers at Denison are still out until they get some kind of commitment from his ministry that after all these years he will begin to take seriously the disintegration of human health in the uranium industry? When is he going to give them that commitment so they can return to work?

Hon. Mr. Bernier: Mr. Speaker, I can assure the members of this House that we have always taken very seriously the heatlh—

Mr. Laughren: Not true.

Mr. Lewis: Why did they walk out of the mine?

Hon. Mr. Bernier: —conditions and environmental conditions at any mine, and we will continue along those lines.

Mr. Martel: A supplementary, Mr. Speaker: If the ministry has taken it so seriously and if so much has been added in ventilation, can he tell me why there are 140 silicosis cases in the Elliot Lake area?

Hon. Mr. Bernier: Mr. Speaker, if the member would refer to my earlier remarks, he'll have the answers to that particular question.

Mr. Martel: I have referred to his earlier remarks, they were nonsense from start to finish.

Mr. Speaker: Does the hon. member for Scarborough West have further questions?

INQUIRY INTO HOSPITAL EMPLOYEES' REMUNERATION

Mr. Lewis: Mr. Speaker, I have a question of the Minister of Labour. It's now Thursday, April 25, according to my dates, and the hospital workers have threatened to strike on May 1. What does he have to report to the Legislature?

Hon. F. Guindon (Minister of Labour): Mr. Speaker, I did undertake to make a statement in the middle of the week concerning the negotiations between the Toronto hospitals and CUPE. However, there are very intensive meetings going on at this very moment and we have imposed a blackout on both sides. There is a point in time when the minister has to keep silent. This is it. Members will have to bear with me.

Mr. Deans: That's what he said the last time.

Mr. Lewis: He is silent from the beginning of the year to the end of the year, in most cases.

Hon. Mr. Guindon: The member will have to bear with me. The members will have to bear with me. A statement will come from the government as soon as it is feasible.

Mr. Lewis: Supplementary, if I may: Is it not true that the offer that was made by the hospitals in the last 24 hours was an offer which continued to maintain the disparity between the average wage for the hospital worker and those in comparable areas in the public sector at more than $1 an hour, and is therefore completely unacceptable to the hospital workers? Unless the minister gives the hospitals the additional money he is inviting a strike next week. Does he not understand that?

Hon. Mr. Guindon: Mr. Speaker, I am very much aware of the issues and I think it would be most inappropriate at this point in time to make any further comments on that issue.

Mr. Deans: When is it appropriate?

Interjections by hon. members.

Mr. Speaker: The hon. member for Rainy River.

Mr. Reid: Mr. Speaker, may I ask, by way of supplementary if the minister has asked his committee or commission that he has charged with looking into the wages of hospital workers, for an interim report so that he can have something in his hands to deal with the situation? Or is the minister going to wait until the matter has been resolved or there is a strike and then get his report?

Interjection by an hon. member.

Hon. Mr. Guindon: There is no doubt in anybody's mind, Mr. Speaker, that the commission of inquiry which I appointed some time ago, in no way could interfere with the present negotiations. I don't know how it appeared in the paper that the commission will not report before May 6. In fact, I don't think the commission can report before, let's say, August at the soonest.

Mr. Lewis: Of course not. That is why the minister has to do something in the next five days.

Mr. Reid: So why did the minister set it up that way?

Mr. Martel: The minister wants the strike.

Hon. Mr. Guindon: Well, because we want eventually to know exactly—

Mr. Lewis: The ministry is now studying the legal procedure of enjoining the workers before the courts.

Mr. Speaker: Order.

Hon. Mr. Guindon: —the comparison between similar jobs in the private and public sector. I am sure the commission will be of great value for both sides when it does report. I don't know why the papers said that it should report before May 6.

Mr. E. Sargent (Grey-Bruce): So the minister doesn't think it will have any effect on this?

Mr. Reid: Supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for High Park, supplementary.

Mr. M. Shulman (High Park): Yes; is the Minister of Labour familiar with this report of the role study committee prepared by the Ontario Hospital Association which refers to the many duplications of services between the Ministry of Health and the Ontario Hospital Association? And if the minister is familiar with it, why does the government not move to eliminate these duplications and use all the money that would be saved to increase the hospital workers' wages?

Hon. Mr. Guindon: Really, Mr. Speaker, I just don't think I received that report. If the hon. member wants to make it available to me I would be glad to look at it.

Mr. Speaker: The hon. member for Scarborough West.

PARK NEAR KOMOKA

Mr. Lewis: Just one last question of the Minister of Natural Resources: Does the minister recall announcing, some time ago, the 1,800-acre park outside London, Ont., which was near Komoka? Am I right about that? And does he remember learning just after he announced the park that 22 days before his announcement an entire subdivision had been approved in the middle of the park by Treasury, Economics and Intergovernmental Affairs? What has happened to this day?

Hon. Mr. Bernier: Yes, Mr. Speaker, I am very much aware of that elaborate urban type of provincial park which we are developing on the outskirts of the London area.

Mr. R. F. Nixon: With a city in the middle of it.

Mr. Lewis: It certainly is elaborate.

Mr. J. E. Stokes (Thunder Bay): He has a highway going through another one.

Mr. Bounsall: Called the great green belt.

Hon. Mr. Bernier: That park is for people in the London area and is going to be a tremendous success.

Interjections by hon. members.

Mr. Singer: They look like houses to me.

Hon. Mr. Bernier: Yes, there was a subdivision which was approved.

Mr. Good: A camper in every backyard.

Hon. Mr. Bernier: We have contacted Government Services and they are moving in to make the purchase; and if it has to be expropriated, we will do so.

Mr. Lewis: By way of supplementary, does the minister know that up until this week and into this week, the owner of the subdivision area has been bulldozing through the centre of the proposed park—through the 50 acres; that pictures have been taken and are available; that he intends to proceed with the construction of the subdivision and has had no notice of intent to expropriate or any other word from any of the government's ministries? Now, how does the minister allow that to be done to a provincial park?

Hon. Mr. Bernier: Mr. Speaker, I think this is entirely incorrect. I have been in contact with my colleague, the Minister of Government Services, and he assures me there

has been contact made with this contractor.

Mr. R. F. Nixon: The minister might ask the members from the area too.

Mr. Lewis: I see. Well, may I say in self-defence that there has been contact. Has the minister served a notice of intent to expropriate?

Mr. Speaker: I think the hon. member who asked the first question should be entitled to a supplementary.

Interjections by hon. members.

Mr. Speaker: No further questions?

Mr. Singer: Yes, Mr. Speaker, I have a supplementary.

Mr. Speaker: Yes, the hon. member for Downsview may have a supplementary question.

Mr. Singer: Could the minister advise whether he has been in touch with his colleague, the Minister of the Environment to ascertain whether or not services are going to be provided in the middle of the provincial park—water, sewers and so on? And is his colleague, the Minister of the Environment, working with him to maintain this as a park, or is it going ahead as a subdivision?

Hon. Mr. Bernier: Well, Mr. Speaker, that contact—

Mr. R. F. Nixon: The minister is nodding even though he has never heard of it.

Hon. Mr. Bernier: —will be made in due course, as the hon member may know.

Mr. Singer: Oh, yes.

Mr. Foulds: He is going to start building next week.

Mr. R. F. Nixon: A couple of dandies after that one.

Hon. Mr. Bernier: We are establishing a committee—

Mr. R. Haggerty (Welland South): Not another advisory committee.

Hon. Mr. Bernier: —within the area, made up of very responsible people who will assist us in the—

An hon. member: They're all responsible there.

Mr. Singer: Even though they look like houses it is really a park.

Hon. Mr. Bernier: —planning for that area; and when their report is received we will be making contact with the Minister of the Environment.

Mr. J. R. Breithaupt (Kitchener): Big greenhouses.

Mr. Stokes: The minister will have to change his park classification.

Mr. Speaker: The hon. member for Scarborough West has no further questions?

The hon. Minister of Colleges and Universities has the answer to a question asked previously.

ADMISSION TESTS AT CAMBRIAN COLLEGE

Hon. J. A. C. Auld (Minister of Colleges and Universities): Mr. Speaker, on Tuesday, the hon. member for Sudbury (Mr. Germa) asked if I was prepared to issue a directive to Cambrian College in Sudbury so that they would discontinue using the services of Dent Psychometrical Services from Dalton, Ohio, in order to determine admission tests of nursing students.

Well Mr. Speaker, as I stated in the House on April 23, it is our policy to permit different institutions to determine which students are selected for their nursing programmes. However, I share the hon. member's concern regarding certain of these selection practices. There will be a meeting of chairmen of nursing education programmes on May 1 and one item on the agenda is this matter of psychometric testing.

In addition, the provincial advisory committee on nursing education, a body which reports to the Council of Regents, will be meeting in mid-May. I have requested that selection procedures be included on its agenda and I will be pleased to report to the House on the results of those meetings.

The hon. member also asked as a supplementary question: "Is the minister not aware that the community college at North Bay and the community college at Sault Ste. Marie are conducting their own admission tests into the nursing courses?"

In fact that is not quite correct. Canadore at North Bay is using the comparative guidance and placement test which is an American one, administered by the college but scored by Educational Testing Services of California. Work is being done at Cana-

dore, however—it's going to be a long term process—to adjust this test to make it a Canadian one.

At Sault College there are no psychological tests at the moment and they are looking at some tests for basic literacy and aptitude, especially for those who have been out of the profession for some time.

Mr. Speaker: The hon. Minister of Natural Resources also has the answer to a question asked previously.

BURNING OF WILDERNESS CABINS

Hon. Mr. Bernier: Yes, Mr. Speaker; I would like to reply to a question that was asked by the member for Port Arthur (Mr. Foulds). It was directed to the Provincial Secretary for Resources Development (Mr. Grossman). It involved policy with regard to my ministry concerning the probe of developments on Crown land, particularly unauthorized developments.

I would just like to explain that in 1969 it was discovered that Mr. Denis Hobischuck had occupied Crown land with a frame cottage on Circle Lake west of Innes township without authority. This was in an area zoned for no development and Mr. Hobischuck was asked to make arrangements to have his building removed.

The time to effect removal was arranged but Mr. Hobischuck failed to vacate. Following notice to vacate Mr. Hobischuck agreed, but made every attempt to retain possession, including staking the area under the Mining Act. The building location was never authorized however, and notice and a warrant were eventually issued for removal, pursuant to the Public Lands Act.

Mr. Hobischuck was given ample notice that the building was to be removed and requested to remove his personal belongings. On March 13, 1974, ministry staff attended at the site, accompanied by an officer of the Ontario Provincial Police. All personal belongings were removed from the building, itemized and placed under a plastic covering. The building was then dismantled and the remains were burned.

To summarize, Mr. Hobischuck occupied Crown land without authority in an area not open to disposition. His building was not a legitimate mining building and he did not stake the claim until notified to remove it. He attempted to secure the site in an area not open to others. He did not take advantage of the ample opportunity granted him to remove his interests and the building; and of course, the building was therefore removed as is provided under the Public Lands Act.

I would like to say that the unauthorized occupation of Crown land has become prevalent over the past years and my ministry is taking firm steps to bring it under control. Areas are being zoned for recreational use, in co-operation with representatives from the local interest groups, in the best interests of the public as a whole. To permit certain individuals to deliberately occupy lands without authority where occupancy is denied to law-abiding citizens would serve only to make mockery of the laws and would leave hollow the land use plan for the area.

With reference to Fallingsnow Lake, there are two cabins involved, owned by Jack Lankinen. One was originally authorized as a trapper's cabin and the other in conjunction with a timber licence. The timber licence expired in 1970. Both cabins, originally authorized for resource harvesting, are now being used primarily as summer cottages. The shoreland of this lake was withdrawn from disposition because of lack of soil to support waste disposal. Others who have buildings on the shoreline have complied with the request to remove them.

The cabins claimed by Mr. Lankinen are on bedrock, less than 35 feet from the shoreline. Continued use of them as recreational accommodation will lead to pollution of one of the finest trout lakes in the vicinity. Mr. Lankinen was given ample opportunity to remove the building to a site well back from the lake where he would be granted a land use permit. He declined, and the sheriff was instructed to issue a formal notice, following which a warrant would issue for the removal.

I understand, however, that Mr. Lankinen has reconsidered and has asked the sheriff to delay issue of the notice to permit him to negotiate a new building location.

My ministry will lean over backwards to accommodate any legitimate use of Crown land. It cannot, however, condone continued abuses in the way of unauthorized occupation, contrary to the public interest, producing no revenue and often in defiance of the minimum health requirements, for a few bold individuals who are enjoying privileges denied the law-abiding citizens of this province.

In conclusion, Mr. Speaker, may I say that in our efforts to bring the widespread unauthorized use of Crown land under control, it is necessary in some instances to remove buildings, most of which have deteriorated beyond human habitation. These are usually

dismantled, any usable materials salvaged and the refuse burned. We do not practise wholesale destruction of buildings by burning them.

Mr. Foulds: Supplementary, Mr. Speaker.

Mr. Speaker: In my opinion the answer was a lengthy answer and should more properly have been given as a ministerial statement. I will, therefore, add two minutes to the question period.

Mr. Reid: Supplementary, Mr. Speaker.

Mr. Foulds: Supplementary.

Interjections by hon. members.

Mr. Speaker: It was just a little over four minutes in length.

Mr. R. F. Nixon: Okay.

Mr. Speaker: I assume that two or two and a half minutes is reasonable. I therefore add two minutes to the question period.

The hon. member for Port Arthur.

Mr. Foulds: Thank you, Mr. Speaker. Can the minister explain when Mr. Hobischuck received the notice to vacate? And what assurance does he have from the ministry officials that Mr. Hobischuck received that notice? Isn't it in fact true that the last letter that Mr. Hobischuck received was to the intent that the ministry was not going to proceed with the dismantling of the cabin?

Hon. Mr. Bernier: Mr. Speaker, I don't have those exact dates, but this matter goes back to 1969 and the notices are sent by registered mail. We just accept it as for granted that he has received them. In fact, in this particular case I believe there has been conversation with Mr. Hobischuck in this connection.

Mr. Foulds: Only after the verdict.

Mr. Speaker: The hon. member for Elgin is next. The hon. member for Elgin.

Mr. Singer: Have we got one of those?

Mr. Reid: We forgot who he was.

Interjections by hon. members.

Mr. McNeil: Thank you, Mr. Speaker.

Mr. Reid: Stand up!

SUPPLY AND PRICE OF FERTILIZER

Mr. McNeil: Mr. Speaker, I have a question of the Minister of Agriculture and Food. Since some farmers are being limited in the amount of fertilizer they can obtain, can the Minister of Agriculture and Food—

Mr. Lewis: I was in St. Thomas last night.

Mr. McNeil: —advise the House if sufficient fertilizer will be available this spring for spring planting?

Hon. D. R. Timbrell (Minister without Portfolio): There's lots of it over there.

Mr. MacDonald: Let's have another national conference to find out the answer to that.

Hon. Mr. Rhodes: The member for York South is an expert on fertilizer. I'll go along with that.

Hon. Mr. Stewart: Mr. Speaker, with great respect, perhaps the best authorities on the availability of fertilizer are immediately across the floor.

Hon. Mr. Grossman: That's where it is.

Mr. MacDonald: The minister ought to know. He adds to it.

Hon. Mr. Stewart: Mr. Speaker, in reply to my hon. friend's question, I cannot provide an answer that there will be sufficient supplies of fertilizer for everyone this spring. I think it is fair to advise the House, however, that I have been in constant touch with the Plant Food Council of Ontario—

Mr. Martel: Get some from the Minister of Natural Resources.

Hon. Mr. Stewart: —and with several of the fertilizer manufacturing companies. I was encouraged yesterday to learn from United Co-operatives of Ontario, UCO, that they have just received, at long last, a boatload of phosphate fertilizers from Florida. These phosphate materials amounting to 14,000 tons will be unloading beginning on Saturday of this week. That, blended with the other materials, will likely result in a volume of about 35,000 tons. We are also pleased to know that the Port Maitland plant will continue in operation for some time and we will gain, I expect, about 16,000 tons of superphosphate there.

Mr. Haggerty: How much of that are they exporting?

Hon. Mr. Stewart: None of that will be exported; that will all be for Ontario use.

Mr. Haggerty: Good.

Hon. Mr. Stewart: We have been advised as well by United Co-operatives of Ontario that another boatload of phosphate fertilizer is on the way from Florida and will be available likely in time for corn planting.

There will be a scarcity, I believe, of nitrogen fertilizers and we are concerned about this. We have been in touch, as recently as this morning, Mr. Speaker, with the plant food council again about available supplies of nitrogen fertilizers including anhydrous ammonia and urea. But I believe we should pay some tribute to United Co-operatives of Ontario.

I was interested to learn from the general manager that had they directed that boatload of fertilizer across the Atlantic to Europe rather than bringing it down the St. Lawrence—

Mr. Deans: What has that got to do with the answer to the question?

Hon. Mr. Stewart: Certainly it has to do with the answer to the question.

Mr. Deans: It is another statement.

Hon. Mr. Stewart: —that boatload of fertilizer—

Mr. Deans: The question was simple and the minister answered it.

Mr. Singer: What was the name of the ship it was coming on?

Hon. Mr. Stewart: That boatload of fertilizer would have sold for $1 million more in Europe than it would sell for right here in the Province of Ontario. To my way of thinking that is good corporate responsibility shown to the Province of Ontario by UCO.

Mr. MacDonald: That's the exception that proves the rule in their moral responsibility in this field.

Mr. Speaker: The hon. member for Rainy River.

Hon. Mr. Grossman: That's a lot of fertilizer.

Mr. Reid: Mr. Speaker, I have a question—

Mr. Speaker: I am sorry; the hon. member for Huron-Bruce wanted a supplementary.

Mr. M. Gaunt (Huron-Bruce): Mr. Speaker, a supplementary: In view of the fact the industry has made a commitment to supply our needs first and in view of the fact there have been, at various periods during this spring, large exports to the United States, could the minister give a commitment to meet with the industry and assure the farmers in this province that the earlier commitment of the industry will be fulfilled?

Hon. Mr. Stewart: Mr. Speaker, the only commitment I know of is to meet what they gave the industry last year in the Province of Ontario. I know of no other commitment beyond that. When one recognizes the fact there are greatly increased demands for fertilizer materials this year in Ontario, it just looks as though it would be very difficult to assure that they will all be met. They are trying to do it.

For instance, one company manufacturing anhydrous ammonia is guaranteeing at least nine per cent more than it manufactured last year. But those companies are tied up with long-term contracts for exports as well.

As a matter of fact, if they hadn't those export contracts they would never have located here in the first place because the demand for fertilizer within Canada in the last few years has been so insignificant that we simply wouldn't have fertilizer plants located here. I think we have to be fair enough and take that into consideration. On the other hand, there are some companies—I should say distributors—which depended completely on sources of fertilizer outside Ontario to meet their demands. They now find themselves with those sources restricted to a great degree and they are trying to find additional sources right here. I think we have to recognize that if the total volume of fertilizer in this country were offered to the world market they would have it just like that. They could sell it anywhere. For instance, UCO—

Mr. Deans: If we were to set up a windmill, the minister could produce a lot of energy.

Hon. Mr. Stewart: I will tell the House I wouldn't be able to compete with my friend from Wentworth, that is for sure.

Hon. Mr. Grossman: The NDP has just lost the fertilizer vote.

Interjections by hon. members.

Mr. Martel: Is this a filibuster?

Hon. Mr. Stewart: UCO advise me that urea, which is a nitrogen fertilizer, was offered at $260 a ton at Rotterdam, Europe, loaded on ship; the price here to the farmers is $170. When I hear these people across the floor talking about the ripoff of the corporate people—

Hon. Mr. Grossman: Shame.

Hon. Mr. Stewart—I have to think we have a lot to be thankful for right here.

Hon. W. D. McKeough (Minister of Energy): They are not interested in fertilizer over there.

Mr. Speaker: The two replies were quite lengthy and I am obliged to add some more time to the question period. There will be two more minutes.

The hon. member for Rainy River.

VIOLENCE IN AMATEUR HOCKEY

Mr. Reid: Thank you, Mr. Speaker. I have a question of the Minister of Social and Community Services in regard to his statement today.

Is the minister aware that under section 7(a) someone in the sports field has to ask the minister to carry out an investigation and should the investigation not be carried out under section 7 subsection (b) of the Act?

Hon. Mr. Brunelle: I would be very pleased, Mr. Speaker, to grant the request and to have the investigation under both 7(a) and 7(b).

Mr. Reid: Has anybody asked the minister?

Hon. G. A. Kerr (Solicitor General): The member for Rainy River did.

An hon. member: Has the minister been asked?

Hon. Mr. Brunelle: No.

Mr. Reid: May I ask, by way of a supplementary, Mr. Speaker, what the terms of reference are of Mr. McMurtry? Is it going to cover all levels of hockey from peewee right up; and secondly, how much is he getting paid?

An hon. member: The NHL particularly.

Hon. Mr. Brunelle: Mr. Speaker, I have asked Mr. McMurtry to report back as soon as possible; and he expects to be able to report back within a month. The total cost of the inquiry will be about $5,000; and that includes his fees plus secretaries and so forth. I sent the hon. member a copy of the statement and he has received it. As he can see by the statement, especially in the last paragraph, it says—

Mr. R. F. Nixon: Roy is not very busy these days.

Hon. Mr. Grossman: It's not Roy.

Hon. Mr. Brunelle: ". . . to examine the full circumstances and implications arising from this case . . ." Then subsequently we will be in a much better position to decide if a fuller and a more extensive study is required. I would be pleased to get the views of this hon. member as well as any other member in this House on this very important subject.

Mr. MacDonald: This is another Part I study.

Mr. Stokes: Is Eagleson too busy?

Mr. Reid: A supplementary, Mr. Speaker.

Mr. Speaker: Order. In view of the shortness of time, I think one supplementary is sufficient.

The hon. member for Nickel Belt.

Mr. Stokes: The minister wouldn't get Eagleson for that price.

Mr. Laughren: I have a question, Mr. Speaker, of the Minister of Labour.

Mr. Singer: Wasn't Henderson available for that job?

Mr. Speaker: The hon. member for Nickel Belt.

EMPLOYMENT STANDARDS ACT

Mr. Laughren: I have a question of the Minister of Labour, Mr. Speaker: Is the Minister of Labour now prepared to introduce an amendment to the Employment Standards Act that would make it mandatory for employers to compensate employees who are sent home from work as the result of a stop order so that workers do not continue to pay the price of pollution control in the Province of Ontario?

Hon. Mr. Guindon: Mr. Speaker, the Employment Standards Act is being reviewed at the present time by our legislative committee. However, this aspect has not been considered.

Mr. Martel: Mr. Speaker, a supplementary?

Mr. Speaker: The hon. member for Sudbury East, a supplementary.

Mr. Martel: A question of the Minister of Labour: In view of the fact that Falconbridge can simply add a few more charges per shift over the next week to recover what the losses were, and in view of the fact the salaried employees didn't lose anything by the close-down, isn't this government prepared to protect the rights of the hourly employees who lose all of their income in a shutdown. The only loser is the hourly employee.

Mr. Speaker: Order.

Hon. W. Newman: Which way does the member for Sudbury East want it?

Mr. Speaker: Order.

Hon. Mr. Guindon: This ministry, particularly, is always concerned about the employees.

Mr. Lewis: Always!

Mr. Speaker: The hon. member for Grey-Bruce is up next.

NEW HOSPITAL AT OWEN SOUND

Mr. Sargent: Mr. Speaker, I would like to ask the Premier, in view of the fact that yesterday the city of Owen Sound hospital board of governors have been notified that, regardless of the fact that their halls are full of beds at all times, we will not be getting a new hospital within the foreseeable future of one decade or so; and in view of the fact that the town of Midland has a new hospital with the ramifications that he knows about: and the fact that Hanover has a new $4 million hospital; will the Premier enlighten me, sir, on government policy on a large capital cost like a hospital? Is it the policy of the government to provide hospitals on the basis of need or political reasons? If need is the yardstick, I would appreciate it if he would give me, and the people of Grey-Bruce, his word that he will investigate this scandalous situation and justify it to the people of our area.

Hon. W. G. Davis (Premier): Mr. Speaker, I didn't want to interrupt proceedings, but before I answer the question I'm sure the members will not object if I do take the opportunity to welcome to the Legislature grade 8 students from Huttonville public school, which happens to be geographically located in the riding of Peel North.

I would only say to the member for Grey-Bruce, yes, I can assure him that decisions of this nature are made on the basis of need.

Mr. Sargent: A supplementary, Mr. Speaker.

Mr. Speaker: One supplementary.

Mr. Sargent: Will the Premier do me and my people the courtesy of investigating the need here and give me an answer on why we can't get a hospital within the next decade, if he is still here?

Hon. Mr. Kerr: If?

Hon. Mr. Davis: Mr. Speaker, I am delighted to have the presumption, at least, on the part of the member for Grey-Bruce that I will be here; I share that presumption with him. I can only say I will be quite pleased to discuss it with the Minister of Health.

Mr. Speaker: The hon. member for Lanark.

An hon. member: The Leader of the Opposition better have a talk with the member.

Mr. Sargent: If we get a report—

Mr. Speaker: One supplementary is sufficient. The hon. member for Lanark.

Interjection by an hon. member.

Mr. Speaker: The hon. member for Lanark. It has been agreed by the members to be courteous enough to restrict it to one supplementary in view of the shortness of time. I recognize the hon. member for Lanark.

ALLEGED STOCKPILING OF BALER TWINE

Mr. D. J. Wiseman (Lanark): I have a question of the Minister of Agriculture and Food: Could the minister tell us if he is aware of wholesale suppliers of baler twine stockpiling the twine in hopes that they can drive the price even higher? Can his ministry do anything to stop this? I took the time today to phone four or five suppliers—

Mr. MacDonald: Question.

Mr. Speaker: The hon. member should not make a statement; he should ask his questions.

Mr. Wiseman: —in my area and found it to be $20 to $30.

Mr. Singer: Question.

Mr. Wiseman: Does the minister feel that some of these people are taking advantage of our farmers?

Hon. Mr. Stewart: Mr. Speaker I didn't catch all of my hon. friend's question.

Hon. Mr. Grossman: Let him repeat it.

Hon. Mr. Stewart: What was the price he was quoted this morning? I didn't catch it; my friends over there were talking.

Mr. Wiseman: The prices were anywhere from $20 to $30; and I wonder if the minister feels that at $30 they are taking advantage of our farmers?

Mr. R. F. Nixon: Of what?

Hon. Mr. Stewart: Mr. Speaker, several weeks ago I had the opportunity to meet with the executive officers of the UCO. We discussed this matter of twine because the UCO has had the reputation of supplying well over half of the total twine used in the Province of Ontario. At that time they assured us they would do everything they could to provide the usual sources of supply of baler twine but they were not sure at that time what the price might be.

I was assured as recently as yesterday that UCO have a boatload of twine now in Toronto harbour which will be unloaded forthwith. It will be shipped directly to their southwestern Ontario outlets and the price will be $19.95 per bale, cash and carry. To me that sets a price which is much less than my hon. friend quoted and which I have heard quoted in other places.

That shipment of twine represents 40 per cent of what they normally bring in. They have another 35 per cent on the way in another boatload which will be here a little later on. They feel they will be able to supply about 65 to 70 per cent of the total amount of twine necessary to meet requirements in the Province of Ontario. Again, I think that is a responsible position to take and should establish a decent price for twine in view of the very great scarcity of it throughout the world today.

Mr. Deans: I think the minister is stringing us a line.

Mr. Speaker: A supplementary?

Hon. Mr. Grossman: We're glad he asked that question.

Mr. Wiseman: A supplementary: Would it be fair to ask, who would bring this in at the $20 mark or under $20?

Mr. Deans: Which boat?

Hon. Mr. Stewart: United Co-operatives of Ontario.

Mr. Speaker: The hon. member for Thunder Bay.

MINAKI LODGE

Mr. Stokes: Mr. Speaker, I have a question of the Minister of Industry and Tourism. Since the ministry has already spent in excess of $550,000 on Minaki Lodge and since the Ontario Development Corp. has already committed itself to an expenditure of about $5 million in additional funds, what kind of assurance is he going to give to the taxpayers of the Province of Ontario that they are going to get value for money? What kind of assurance can he give that before it is turned back to private enterprise the Province of Ontario will recover all of the money it has in it?

Hon. C. Bennett (Minister of Industry and Tourism): Mr. Speaker, first of all let's get the $5 million straightened out. The cabinet has authorized a maximum expenditure of $5 million for the upgrading and improvement of Minaki. There will not be expenditures made without the approval of this government.

At the moment we have approximately $1.3 million invested in Minaki. That includes the $550,000 loan we made to Minaki originally, as well as paying off the first mortgage which was held by the original mortgagee to the property. As far as the value goes, in the projections we have, both from a government point of view and from an industrial point of view, it is clearly indicated to us that this is a valuable asset to the province. The expansion of it will mean a productive position as far as tourism is concerned in northwestern Ontario.

Hon. Mr. Bernier: Run by Canadians.

Mr. R. F. Nixon: Is that why the government is acting to sell it now?

Hon. Mr. Bennett: The assurance we give this House is that it is not the intention of this government to dispose of Minaki at a price lower than what our capital investment will be on the day, if it should come, when we will dispose of the asset.

Mr. R. F. Nixon: They'll have it for a long time.

An hon. member: Supplementary, Mr. Speaker—

An hon. member: What was the price?

Mr. Speaker: The oral question period has now expired.

Mr. Lewis: So much for Maple Mountain.

Mr. Singer: The Minister of Agriculture and Food had two more questions ready for him, too.

Mr. Speaker: Petitions.

Mr. Lewis: Mr. Speaker, I have a petition which I would have liked to read while the Minister of Education (Mr. Wells) was here, but since it is pressing I'll read it now:

To the Lieutenant Governor and the Legislative Assembly of the Province of Ontario.

Hon. Sir and members of the Legislature:

We, the undersigned, James H. Robertson and Irvine D. Muir, do hereby present our humble petition to the assembly on behalf of the concerned citizens of the municipalities of Wainfleet, West Lincoln and Pelham for the redress by this House of our grievance, to wit:

1. Niagara South Board of Education was petitioned following the advice of the hon. Minister of Education on Feb. 5, 1974, at Niagara Falls;

2. The Niagara South Board of Education has declined to act concerning our grievances; and

3. That the impasse between the Niagara South Board of Education and the 2,434 signatories can only be resolved if this House should choose to intervene.

To this end we humbly request such action by the House as follows:

1. That we be heard by the social development committee or any other appropriate committee regarding these grievances;

2. That the House initiate a study of the educational needs of Niagara South Board of Education and Lincoln County Board of Education as requested here and as requested also by the governments of the town of Pelham and the township of West Lincoln;

3. That the closing of Pelham Secondary School in June, 1974, be rescinded.

And it is signed accordingly.

Mr. Speaker, I have photostated the full petition with the 2,400 names, and when the Minister of Education returns to the House, we shall take some time to question him. Thank you, sir.

Mr. Speaker: Presenting reports.

Mr. J. A. Taylor, from the standing private bills committee, presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bills without amendment:

Bill Pr22, An Act respecting the Waterloo-Wellington Airport.

Bill Pr24, An Act respecting the city of Chatham.

Bill Pr25, An Act respecting Savings and Investment Trust.

Bill Pr26, An Act respecting Lake of the Woods District Hospital.

Bill Pr28, An Act respecting the Presbyterian Church Building Corp.

Your committee begs to report the following bills with certain amendments:

Bill Pr15, An Act respecting the city of Kitchener.

Bill Pr21, An Act respecting the University of Western Ontario.

Bill Pr29, An Act respecting the city of Windsor.

Bill Pr31, An Act respecting the city of London.

Your committee would recommend that the fees, less the actual cost of printing and penalties, if any, be remitted on Bill Pr26, An Act respecting Lake of the Woods District Hospital, and Bill Pr28, An Act respecting the Presbyterian Church Building Corp.

Mr. Speaker: Motions.

Introduction of bills.

MINISTRY OF GOVERNMENT SERVICES ACT

Mr. Singer moves first reading of bill intituled, An Act to amend the Ministry of Government Services Act, 1973.

Motion agreed to; first reading of the bill.

Mr. Singer: Mr. Speaker, the purpose of this bill is to provide for an expansion to the section of the Ministry of Government Services Act and to make sure that the government require tenders for all purchases of goods or of real estate exceeding $750; that there be no contracts let without tender except in cases of emergency, and that if there is such an emergency and the minister responsible feels he should let a contract without a tender he is compelled to immediately report to the House the circumstances of such an emergency.

FIRE PROTECTION ACT

Mr. Deans moves first reading of bill intituled, An Act relating to the Installation of Automatic Fire Extinguishing Systems in Buildings.

Motion agreed to; first reading of the bill.

Mr. Deans: Mr. Speaker, the bill provides that certain buildings or structures over three storeys in height, or 45 ft in height to the roof line above grade, be equipped with approved automatic fire extinguishing systems. The purpose of the bill, I suspect, is obvious to all members of the House. It is an attempt to bring about a safer environment in which to work and to live, and to eliminate much of the loss that has been occurring, by requiring that older buildings renovated for new purposes include fire extinguishing services.

HIGHWAY TRAFFIC ACT

Mr. Riddell moves first reading of bill intituled, An Act to amend the Highway Traffic Act.

Motion agreed to; first reading of the bill.

Mr. J. Riddell (Huron): The bill, Mr. Speaker, provides more adequate legislation pertaining to the construction, safety features and operation of school buses. It outlines the necessary qualifications for a school bus operator and provides for the retesting of school bus operators when their chauffeur's licences are due for renewal.

It requires operators of school buses to report to the ministry where they have refused to operate a school bus because they considered the vehicle to be unsafe, mechanically unfit or overloaded. It extends the duties of drivers to situations where a school bus may be travelling on that part of a highway where the speed limit is less than 35 miles an hour.

Lastly, the amendment provides for school bus safety standards and a school bus patrol programme. These standards, Mr. Speaker, incorporate the recommendations of the Ontario Public School Men Teachers' Federation regarding school bus safety.

Hon. Mr. Bernier: Mr. Speaker, before I introduce my bill, I would like to call to the attention of the members of the Legislature two groups from northwestern Ontario. One group is composed of public school students from Cochenour, Ont. I would say that this is one of the most northerly schools in the Province of Ontario. They have come down by CNR and the trip down here took them about 27 hours. I am pleased to say that they have participated in the Young Voyageur programme, which of course pays for about 90 per cent of the travelling costs of those groups of students from northern Ontario.

In addition, we have a group from the Keewatin Public School, led by Mr. Morrison, their teacher; and the Cochenour Public School group is led by Mr. Perchaluk. We would like to welcome them.

FOREST FIRES PREVENTION ACT

Hon. Mr. Bernier moves first reading of bill intituled, An Act to amend the Forest Fires Prevention Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Bernier: Mr. Speaker, this is a housekeeping bill in nature; it brings the wording of sections into line with the reorganization of the Ministry of Natural Resources.

Mr. Speaker: Orders of the day.

Clerk of the House: The second order; House in committee of the whole.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, before we proceed, is it the House leader's intention to proceed with the Energy estimates immediately after this bill has been completed?

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Yes, Mr. Speaker, I think in fairness, this evening I will endeavour to give the House a full account of the legislative programme.

Mr. Breithaupt: Okay. Thank you very much.

LAND TRANSFER TAX ACT
(*concluded*)

House in committee on Bill 26, the Land Transfer Tax Act, 1974.

Mr. Chairman: Bill 26, the Land Transfer Tax Act, 1974. We were discussing section 4 when we rose.

On section 4:

Hon. A. K. Meen (Minister of Revenue): Yes, Mr. Chairman, when we adjourned we were discussing section 4, and I believe the hon. member for Riverdale was speaking with respect to subsections (7) and (8). He may have some comments to offer on those at this moment.

Perhaps I would simply observe that in the interval my staff and I have had a chance to consider—as I always try to do—but I had an opportunity to consider in detail the argu-

ments advanced by the hon. member for Riverdale. Frankly, I want to compliment him on his analysis of the subject as he expressed it to us.

We have concluded that there is some merit in what he has said about those subsections. In the past, and they are subsections taken from the old Act, they have never been contested in the courts. There is some question in our minds, too, as to their constitutional validity. We think that in the circumstances we could very well entertain a motion by the member for Riverdale to delete subsections (7) and (8) from the bill, on the understanding that my ministry would then require more than the three-year period presently provided under another subsection to enforce any lien which might arise and not come to our attention for some while.

So I would be moving, when we eventually reach section 7, subsection (3), to change the period as set out in that section from three years to read six years.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, I appreciate the remarks of the minister. I have had an opportunity to consider the amendment which he proposes, to delete subsections (7) and (8) of section 4 of the bill. I would so move that deletion. Then I would like to have an opportunity to speak to it, if I may, Mr. Chairman.

Mr. Renwick moves that subsections (7) and (8) of section 4 of the bill be deleted.

Mr. Renwick: Mr. Chairman, I want to speak to the motion because while I appreciate the minister and his advisers believe it would be wise constitutionally to delete the clauses, I do not want anyone to have the impression that that necessarily cures the constitutional defect in the bill. I don't intend to go on at any great length but I would like to look at the provision of subsection (7), which reads as follows:

> When the affidavit required by subsection (1) is made by the transferor or by a person acting as attorney, agent or solicitor for the transferor, the transferor is personally liable to the Crown jointly and severally with the transferee for the amount of the tax.

Subsection 8:

> Where the transferor is compelled to pay the tax or a part thereof, he has the right to recover the amount so paid from the transferee in an action in any court of competent jurisdiction.

The classic statement, of course, with respect to the imposition of taxes by a provincial Legislature, is the case of the Bank of Toronto and Lamb, which was on appeal to the Privy Council in 1887. I am referring to an excerpt from it as published in the Laskin's Canadian Constitutional Law, fourth edition, which has just recently been issued.

> The question before the court in the Lamb case was whether a particular tax, [and I don't need to go into the question of the nature of the tax in that case] was direct or indirect, and whether it was a tax levied within the province. The provision of the North America Act, subsection 2 of section 92 specifically grants authority, limited as it is by the words of that section, to "direct taxation within the province in order to the raising of a revenue for provincial purposes."

The first question which came up was whether or not it was a direct tax or an indirect tax, and I quote further on in the case:

> After some consideration, Mr. Kerr, counsel for the appellant, chose the definition of John Stuart Mill as the one he would prefer to abide by. That definition is as follows: "Taxes are either direct or indirect. A direct tax is one which is demanded from the very persons who it is intended or desired should pay it. Indirect taxes are those which are demanded from one person in the expectation and intention that he shall indemnify himself at the expense of another."
>
> The Privy Council went on to say: "Their lordships then take Mill's definition, above quoted, as a fair basis for testing the character of the taxing question, not only because it is chosen by the appellant's counsel, nor only because it is that of an eminent writer, nor with the intention that it should be considered a binding legal definition, but because it seems to them to embody with sufficient accuracy for this purpose an understanding of the most obvious indicia of direct and indirect taxation, which is a common understanding and is likely to have been present in the minds of those who passed the Federation Act."
>
> Having decided the nature of the tax in that particular case, the next question which the Privy Council had to consider is whether the tax is taxation within the province. The answer to this argument is that class 2 of section 92 does not require that the persons to be taxed by Quebec are to be domiciled or even resident in

Quebec. Any person found within the province may legally be taxed there if taxed directly.

I am making the point that while, as I stated, I welcome the minister's agreement with the point insofar as sections 7 and 8 are concerned, the mere deletion of those sections does not necessarily solve the problem. It is perfectly clear that the intention is to impose the tax on the non-resident, not the non-resident if he happens to be found within the jurisdiction, but it is intended that the basic tax be a tax imposed on the non-resident.

If I can drop the word "Quebec" from the quotation which I used and refer to Ontario regarding the question of whether the taxation is within the province, the answer to this argument is that class 2 of section 92 does not require that the persons to be taxed by Ontario are to be domiciled or even resident in Ontario. Any person found within the province may legally be taxed there if taxed directly.

Well, probably some day in the Supreme Court of Canada the case will have made its way up to that level, because we are imposing a tax which is of sufficient magnitude to make it worth somebody's while, it would appear to me, to challenge the validity of the tax. And, one of these days—I am not given often to prophecy—I wouldn't be at all surprised, or perhaps I could put it in a slightly less positive way, I am inclined to the view that somebody will test this tax in the Supreme Court of Ontario and ultimately it will find its way to the Supreme Court of Canada, and the question which my friend, the Minister of Revenue—when he was speaking with me about his intention to introduce the proposed amendment—referred to as an esoteric one may possibly become one of immense practicality insofar as the intentions of the government are concerned with respect to this Act.

I felt it wise in the circumstances to make these comments because, even though I move the amendment and I appreciate the minister's remarks about the point which I made on Friday, I personally believe that the bill remains flawed in respect of any endeavour to tax persons beyond this jurisdiction, who are the persons who are intended to bear the tax. If a non-resident or a corporation controlled by non-residents is the party involved, so that the person is within the jurisdiction, that's a different matter, but it is intended to impose a tax under this Act on non-resident persons who do not happen to be within the jurisdiction, and it is that part of the taxing jurisdiction which I believe will ultimately show that the prime taxing section, subsection (2) of section 2, will be held to be beyond the powers of the province.

Hon. Mr. Meen: Mr. Chairman, with respect, I think the hon. member is misinterpreting what I believe to be the ratio decidendi to be taken from the case of Bank of Toronto and Lamb, namely, that in interpretating section 9, subsection 2, the capacity is in the provinces to tax any person found within its boundaries. The hon. member says that himself. Now the tax is imposed at the time of registration of the instrument and is payable by the person who registers it. Therefore, although it may be a tax computed dependent upon the residency of the grantee as set out in the deed, it is our opinion that it is within the constitutional competence of the province to tax. We felt that these two sections, as indicated by the hon. member when we were deciding this on Tuesday last, not Friday were—

Mr. Renwick: I think we could leave it to the nine men in Ottawa to decide it.

Hon. Mr. Meen: That may well be. It may well be that nine men in Ottawa may eventually make a decision on this. I would assume, and perfectly believe, that they will make it in our favour. Perhaps the hon. member would like to take the case on the opposite side and appeal it to the Supreme Court of Canada somewhat, because as he indicates, there may well be some cases where some righteously indignant non-resident may be prepared to pay his fee to carry that to the Supreme Court of Canada to contest the matter.

However, I don't know why we are wasting time at this point. I gather we are all in agreement that subsections (7) and (8) should be deleted, although I notice the hon. member for Kitchener might care to say a word before we carry the section.

Mr. Breithaupt: Mr. Chairman, I am content with the logic of the member for Riverdale and his exposition of the point. I share with him the concern that there is the possibility of involving ourselves in a constitutional matter with respect to direct taxation. I presume that this matter may eventually go before the Supreme Court of Canada and, of course, the result will be something that will guide us in any future legislation that may be brought before this House. I am content, certainly, that the two

subsections are being deleted by the minister and we are pleased to accept this move.

Mr. Chairman: The member for Ottawa Centre.

Mr. M. Cassidy (Ottawa Centre): I just have a question or two, Mr. Chairman, about this, not in relation to the specifics, to which I bow to the constitutional wisdom of the minister and the member for Riverdale, but to the straight questions of enforcement which are then created and would exist anyway but are exacerbated by the deletion of these two sections.

When the two sections were in, then if the transferor was a resident of Ontario you had him within the jurisdiction of Ontario and you could find various means of enforcing collection of the tax upon the transferor if you couldn't get hold of the tax from the transferee. That has now ended in the cases where the transferee makes the registration.

In cases where the transferor makes the registration, then under section 9 if false statements have been made on affidavit, you can conceivably get your money by means of penalty, according to the penalty clauses of the Act. You still can't get your tax, though, because the transferor is no longer jointly liable for the tax. If the transferee is a non-resident who takes pains not to actually set foot in Ontario but who has title to the land, we then may have an exceptionally difficult time actually making collection.

It seems to me that what is needed in the bill, and what is lacking, is some means by which a lien can be put upon the property in cases of non-payment of tax where the non-payment was discovered after the original conveyance had been registered. This could arise because of a dispute between the solicitors for the transferee and the law as to whether or not he was liable, or in fact a deliberate attempt to find loopholes and to evade the tax.

Nevertheless, in a case of a non-resident transferee, if we don't have a lien against the property, it may be that the transferee can proceed to sell the property back to some Canadian or some other non-resident and to get out of the deal and that there is an incentive for him to come in, avoid the tax with intent and then get back out of the deal if he's found out.

Now, if there is a lien on the property or some kind of encumbrance that the minister can put on the property—and possibly he has other means of doing that—then obviously the lien will be either reflected in the future price or it will inhibit the sale to the point where the transferee who is a non-resident will be sure to pay the tax when we catch him.

Hon. Mr. Meen: Mr. Chairman, ordinarily the affidavit would be taken by the transferee. He's the one with knowledge of whether he is resident or non-resident. I think it would be an unusual case, in any event, where the transferor swore the affidavit; it is not in his interest to swear it in as much as the tax is payable on behalf of the transferee, whoever he may be. It's possible, of course, that a false affidavit could be sworn in some kind of collusive arrangement. Now, we have all kinds of provisions for penalties, but if we can't get at the deponent in the affidavit, whether he's out of the jurisdiction for any reason, then of course that part goes by the way.

We have provided for a lien only during the interim period from and including April 10 to the date of proclamation of the Act, simply because at this stage there is no Act and we don't want to treat this retroactively in a sense.

Otherwise, the penalties for the swearing of a false affidavit are pretty substantial. First of all, the amount of the tax payable as tax is a penalty. Secondly, there is a fine of a minimum of $50 and a maximum of $1,000. And, thirdly, under the Criminal Code, section 112, I believe, there is provision for up to 14 years in prison for fraud or the swearing of a false affidavit. So there are very serious penalties that flow, both financially and punitively, for the swearing of a false affidavit related to this kind of thing.

What the hon. member for Ottawa Centre says is true, I suppose, in that if we can't get at him, we may not be able to enforce such a penalty. But we think that in the long run there's little chance of many people escaping. I just can't imagine that there would be that number of people who would be prepared to perjure themselves in their own interest, to say nothing of in the interests of someone else.

In the interest, too, of avoiding the clouding of every title, I think counsel, solicitors and their clerks investigating titles have to be able to look at these documents and determine on their face whether they are proper or not.

Given the opportunity then of the ministry to investigate these for a period of six years,

if any evidence comes to the attention of the ministry of false affidavits, for instance, and with the ministry then able to pursue the individual who swore that false affidavit, we would then have adequate means to enforce the affidavit and the collection of the tax without the requirement of the imposition of a lien. You can see it would put conveyancing and the law of conveyancing in a virtually impossible position if this were to create a lien arising out of the transaction.

Mr. Cassidy: Mr. Chairman, as the minister says, most people working in good faith are not going to perjure themselves in an affidavit.

We discussed in the Legislature a couple of days ago various devices which might or might not be defined as foreign-controlled corporations which were buying and selling land in Ontario. Presumably those would be the kinds of devices that one would find in cases where the tax was not paid and where the ministry subsequently decided that the tax should have been paid. If the non-resident chooses to keep out of the country, the ministry can't do much about getting him on the violation of the Criminal Code, or the sections about false affidavits. But the way the law stands right now, nor could it do very much about getting the tax from them; and it seems to me that it shouldn't let both of those elude its grasp. Therefore, should there not be a provision by which the ministry can place a lien on the property where it is determined in the opinion of the ministry that the property was conveyed, or transferred, to the non-resident and it was done so without payment of tax and with the intention, let's say, of evading the tax?

I agree that not every property transferred to a non-resident should have a lien placed upon it. It's clearly, though, to come in as a means of enforcement; otherwise the ministry is left powerless. It's left with somebody who can come waltzing into the province, pick up the property, do whatever they wish with it, and a year or three later sell it again without paying this tax that was designed to deter them, or discourage them, from getting involved in the real estate market in Ontario.

Hon. Mr. Meen: I think it should be borne in mind, Mr. Chairman, that this is with respect to the purchaser. Should it come to the attention of the ministry that no tax was paid, then there are provisions later on in the bill—I believe it's section 9, but I would ask counsel to just confirm this to me—in which the minister may then take steps to recover the tax that was payable, together with interest at nine per cent on the outstanding amount.

So, if the property is still there and it's still held by the non-resident, then there is adequate opportunity, at least, for the ministry to proceed to recovery of the outstanding amount. It's hanging over the head of the non-resident purchaser for a period of six years, if it should ever come to the attention of this ministry.

Mr. Cassidy: If I read this correctly, the interest on the unpaid tax accrues at nine per cent a year but the charge does not accrue against the property. It accrues against the owner and the ministry can get to the property, but it may not be able to get to the owner.

Hon. Mr. Meen: I'm sorry but the member has just said both sides of the argument. It does, in fact, accrue against the owner and is recoverable against him in the Supreme Court under section 14, I think it is. In any event, by the subsequent sections in the bill, there is provision for recovery of the tax against the owner.

Motion agreed to.

Section 4, as amended, agreed to.

On section 5:

Mr. Renwick: On section 5—and I don't want to belabour it at great length at this point—but my colleague, the member for Ottawa Centre, raises the question of enforcement. Of course, clause 5 sets out the procedure which would be followed—it has nothing to do with false affidavits, or collusive affidavits, speaking here.

This sets out in some minute detail the exact procedure to be followed by a person who is called upon to pay the tax and the method by which he will dispute the questions of law which may be involved, or the facts which may be involved.

It provides, then, for an application. After consideration by the minister, and if there are questions of law, or questions of law in fact which can be agreed on, the matter can be referred to the Supreme Court. If the minister doesn't do it within a certain number of days, then the person disputing the payment of tax can do it.

I think it's the reverse side of the question which was raised by my colleague, the member for Ottawa Centre. I notice that there are provisions in the regulations to provide for the collection of tax and the appointment of persons other than collectors to collect the tax, and establishing a procedure for the collection of the tax. If this is a constitutional question of a non-resident person not within

the jurisdiction being required to pay the tax, then I think it should be made perfectly clear on the record, as I'm sure the minister and his advisers know, that it is a trite proposition of international law that one jurisdiction will not enforce the revenue laws of another jurisdiction.

So it is not as if in the collection of the tax that the minister would have the benefit of being able to call in force something in the nature of the procedures set out in the Reciprocal Enforcement of Judgements Act of the Province of Ontario, where reciprocity is established between various jurisdictions for the enforcement of the judgements of the courts of Ontario in the courts of other jurisdictions and vice versa.

I simply wanted to make the point on the record that the Reciprocal Enforcement of Judgements Act or some analogous procedure is not available to the Crown in the right of the Province of Ontario in endeavouring to enforce a judgement of the court against a non-resident person not within the jurisdiction, to collect a tax against such a person by having access to the courts of the jurisdiction in which the particular non-resident person is either domiciled or resides or of which he is a national.

Mr. Chairman: Anything further on section 5? The hon. minister.

Hon. Mr. Meen: Mr. Chairman, I am not really certain that there is not some kind of arrangement for collection, but if there is not I think that's an interesting point to pursue. Otherwise, I don't think I have any question or any point as to section 5 itself.

Section 5, subsection (1) is a direct take from the old Act with one or two little housekeeping amendments in it to tailor it to this new Act. Subsection (2) is new, as the hon. member for Riverdale has indicated, to provide for appeals and the other process necessary.

Section 5 agreed to.

On section 6:

Mr. Chairman: On section 6 the hon. minister has an amendment.

Hon. Mr. Meen moves that subsection (1) of section 6 of the bill be amended by striking out "or was registered against the land on or after that date" in the 11th line and by inserting thereof "as part of or subsequent to the transaction or series of transactions that resulted in the tender for registration of the conveyance evidencing or carrying into effect the transaction or series of transactions."

Mr. Chairman: The member for Riverdale.

Mr. Renwick: I think it would be wise for anyone looking at this debate, as people may, if the minister would repeat succinctly in his own laconic way the reason for the proposed amendment which he gave us some days ago when the bill first came on for second reading, so that when the amendment is considered in Hansard by those who are interested in these matters, the reasons would be available at the point where the amendment was put.

Mr. Cassidy: This is being done for the sake of history.

Hon. Mr. Meen: I would be pleased to, Mr. Chairman. The difficulty is that when this Act becomes law there will be a lien potentially for any unpaid tax resulting on any transaction dating back to April 9.

Any mortgage advances that may have been made on building loans and otherwise in the meantime to builders themselves, Ontario or Canadian residents, by institutional mortgage loan companies would, as the section stands without amendment, be in a secondary position to a lien which might arise at some subsequent date and before the Act is proclaimed with respect to the non-resident status of a purchaser from that builder. It therefore created the apparition in the mind—and it was a very real one—of the lending institutions not being able, in fact, to make these loans because their authority is to make them only where they are a first charge without any encumbrance and priority to them.

It is for that reason, of course, that as the mortgagee's solicitors make the advances they double check as to corporation tax liens and other questions that have to be checked out on the title itself, mechanics' liens and the like, before any advance under a mortgage is made. This is therefore intended to protect those advances.

It is not our intention to have any such lien in priority to bona fide mortgage advances made prior to any sale to a non-resident. The section as amended by the amendment just read by you, Mr. Chairman, would, I believe, adequately protect these mortgage advances as they come along, but will nevertheless protect the lien where a sale might be made by, let's say, a builder or a vendor, to a non-resident, whereby as part of that transaction he took back a

second mortgage. That second mortgage would not by the wording of this amendment be in priority to the lien. In fact, under those circumstances it is intended that the lien would have priority over the second mortgage or other charge which arose at the time of, and out of, the arrangements through which the eventual conveyance to the non-resident took place.

Motion agreed to.

Mr. Chairman: Shall section 6, as amended, stand as part of the bill?

Mr. Cassidy: Mr. Chairman, the minister has power to waive the lien conferred in section 6—this is under subsection (7). Could the minister state under what circumstances he envisages waiving this particular lien, and why?

Hon. Mr. Meen: Mr. Chairman, it is hard to envisage this at this time. I must say to the hon. member that subsection (7) of section 6, I think would have done what my amendment to subsection (1) accomplishes in a direct fashion; the subsection (7) would have covered that kind of thing.

Now there may be others; we simply don't know. As I indicated earlier in these debates, in sailing through these unchartered waters we may well encounter areas which we simply did not anticipate, areas in which we may have to give some kind of postponement or abandonment, but I don't know.

In this case there might well be some. For example, perhaps they would want to post security. Now if they were prepared to give me security for the loan, then the minister might well be in a position to release the lien which might otherwise be a cloud on the title. So there are various ways and reasons which could come up in the future, which we can't envisage by specifics at this time, for which authority might be necessary under subsection (7).

Mr. Cassidy: Mr. Chairman, I think the simple way to discharge a lien would be to pay the tax, is it not?

Hon. Mr. Meen: Not necessarily, Mr. Chairman, because the money might not be there to pay the tax, but if the ministry were prepared to accept adequate security, the lien for the tax could then be waived.

Mr. Cassidy: Is the minister then suggesting that the ministry will be prepared to accept security for a lien in a number of cases in order to permit an owner to resell his property and then presumably to pay the tax out of the proceeds of that sale? Because if that is the case, then it is a deliberate encouragement to passing on the 20 per cent tax and applying it against the next purchaser, rather than against the non-resident transferee.

Hon. Mr. Meen: Mr. Chairman, the lien only arises during this very short period of time. We simply cannot envisage at this point what these requirements might be. I can't imagine very many instances in which it would be necessary to do this, because ordinarily we would simply require the payment of the tax.

But particularly at this time and with respect to foreign non-resident contracts, it may be that, if they are unable to satisfy the minister that the contract was executed before April 9 and thereby escaped the tax, they would not have the money but that they would have other means whereby they could put up security for the payment of that money at some deferred date. It isn't intended to permit them to acquire title and roll it over again, but let me say this that, even if that were the case, it still is a 20 per cent disincentive to a non-resident, compared with a resident, in any of these real estate transactions.

Mr. Cassidy: I question a number of discretionary clauses that are put in with the bill, Mr. Chairman. I just wonder whether the minister, given the fact that he doesn't really see a need for this and that he has covered the major areas he wanted to cover, would take this one out and couldn't either reduce or eliminate the other areas of discretion. I don't think the government intends to use these in any high, wide and handsome kind of way. In fact, the entire purpose of the Act could be vitiated. You could make the Act completely useless by means of discretion which is built into the Act here and elsewhere, and that's an awfully broad discretionary power.

Hon. Mr. Meen: I agree that there is discretion, but I think the hon. members must realize, as I have said already, and I don't like to repeat myself although some members opposite seem to be quite prepared to do that, that I simply do require some area of latitude in the exercise of discretion here. Although I cannot now picture as many instances in which one might have to exercise that sort of discretion under subsection (7) as I did before, nevertheless, there are these other areas where payment of the tax might not be possible and where payment of the security or delivery of security in place of the tax

would be an appropriate way to be able to clear the title and to take the cloud off the title, otherwise created by the lien.

Mr. Cassidy: Okay, the minister has stated his point of view. We are going into untrodden territory with the tax. I wonder whether the minister would be willing to do the following: At the end of each year or at some similar appropriate time, would he be willing to report to the Legislature, in whatever form is convenient, about his exercise of discretion under the various discretionary clauses in the Act? I am not suggesting a case-by-case kind of report, but some means by which the members of the Legislature and the public can understand how and whether discretion was used and also, at the same time, to report to the Legislature on the volume and types of transactions which were in order to fill that information vacuum which the minister himself acknowledged exists in the interchange with the member for Riverdale.

Hon. Mr. Meen: Mr. Chairman, perhaps the hon. member wasn't here the other day when I said that we will be monitoring all of these matters with great care over the next few months. It might even be possible, if we have assembled adequate information in a readable, presentable form, before we rise at the end of June or whenever we rise for the summer vacation, that I will have some information for hon. members. I am not sure that it would be practical to try to report on every last case in which waivers of this sort were given.

Mr. Cassidy: Agreed.

Hon. Mr. Meen: Nevertheless, some sort of summary of the numbers and that kind of thing will doubtless appear in the reports of my ministry in one fashion or another in the months and years ahead, particularly as we watch very carefully the way in which this Act and the Land Speculation Tax Act are working.

Mr. Cassidy: Let me try to narrow that down. The reports of the minister, like a number of government reports, tend to arrive on our desks about 15 months after the end of the fiscal year to which they relate. Would the minister agree to report more promptly than that, and regularly on the operations of this Act and the Land Speculation Tax Act?

Hon. Mr. Meen: No, I don't think I can, Mr. Chairman. I simply have no idea, and I don't think any hon. member of this House has any idea either, of just how much work may be involved and how much detail involved, how much sorting, compilation, and all the other matters that would go into this sort of thing. I won't give that undertaking at this time.

I can tell the hon. members that we are just as anxious as they are to be able to see the effects and the degree of effects of both these Acts—this and the Land Speculation Tax Act. I will have statements available from time to time, I would hope, for the hon. members; but I am not going to undertake any specific period of time for entering the report.

Section 6, as amended, agreed to.

On section 7:

Mr. Chairman: On section 7 the minister has an amendment to subsection (3), I believe.

Hon. Mr. Meen moves that subsection (3) of section 7 be amended by striking out "three" years in the second line and inserting "six".

Mr. Breithaupt: With respect to the amendment, I have no particular comment on that, but what does interest me in this section, Mr. Chairman, is the penalty section in subsection (1). It appears to me that—

Mr. Chairman: Does that have any effect on this? If not we can get this out of the way and then we can discuss subsection (1).

Mr. Breithaupt: That is quite satisfactory, unless my friend has some comments to make in respect to the six-year matter.

Mr. Renwick: I did want to make one. Does it matter? I wanted to make one comment about it.

Mr. Chairman: The hon. member for Kitchener may proceed.

Mr. Breithaupt: All right, Mr. Chairman. The point that I raise will not be a lengthy one, but it deals particularly with the matters of the amounts of penalties that are set out in subsection (1). It seems to me that the approach which is being taken, that is, to have a penalty provision ranging from $50 to $1,000, is hardly adequate.

Hon. Mr. Meen: Has the hon. member thought of all the other penalties that apply, too?

Mr. Breithaupt: No, I agree that there are other penalties. Indeed, the minister had commented earlier on those that deal with

a matter of fraud and with respect to the possibility of incarceration as a result; and to those which deal, of course, with the necessity of payment of the tax that has been avoided.

Hon. Mr. Meen: Times two.

Mr. Breithaupt: Those are two substantial penalties, but it seems to me that we should have a further penalty and one that is a little more substantial than the approach that is set out here. It may, for some at least, equate this as almost a tax for avoiding the thing. I think that we should be much more concerned about a substantial penalty.

It doesn't seem to me that, in addition to the tax which should have been paid, or the matter of a possibility of a personal incarceration, that we, indeed, are even coming anywhere close to recovering possibly some of the costs of investigation and the other matters to which the ministry is put. I think that if the penalty provision were increased, we could come to a little closer balance in the thing.

This is only my comment and I would like to hear the minister's view as to why this ratio is deemed to be acceptable.

Hon. Mr. Meen: Look, Mr. Chairman, it goes something like this. Suppose the tax payable were a couple of thousand dollars, okay. In addition to having to pay the tax, he has a $2,000 fine. In addition to that, he has something ranging between $50 and $1,000. Now, I don't know what kind of costs would be involved to my ministry in investigation and prosecution of the matter, but I would assume that it would be covered by the degree of the $50 to $1,000 fine—somewhere in that region—plus the added amount of tax.

Recognize, then, that if the tax was $2,000—and I am taking a minimal case, a very small little deal, $10,000 for the $2,000 tax. Maybe we should be more realistic and take a $50,000 deal, in which the tax would then be $10,000. The penalty would be another $10,000. And so the non-resident, properly having to pay $10,000, winds up having to pay twice. He has paid a 40 per cent surcharge for the benefit of filing that false affidavit and—to use the colloquial—trying to beat the government out of the properly payable fund.

We think that this is a suitable disincentive when it can multiply and roll up to 40 per cent, plus other penalty provisions—and also don't lose sight of the fact of the potential 14 years in jail for a fraudulent affidavit.

Mr. Breithaupt: Well, I don't think the 14-year figure might likely be imposed for that particular matter, but I am concerned that the attempts to recover the costs of investigation as well as have a disincentive, should be realistic. I think that the minister feels that this is a reasonable balance and, of course, this other thing that can be reviewed in years to come.

As long as he is aware of our concern in the matter I am sure that this too will be something that we will have to learn to grow through to see if this kind of a penalty scale is going to resolve the problem that we all can see and recover the costs that we think are proper.

Mr. Chairman: The hon. member for Ottawa Centre.

Mr. Cassidy: I am aware that in the phrasing here the fine can be far more than the minister has laid out. He gave an example of a deal of $50,000 where the unpaid tax would be $10,000. The actual fine could go as high as $50,000 or $100,000 because there is no—I am sorry, it can only be $50,000, that's right. I'm sorry. The fine can be no more than $1,000 more than the unpaid tax, is that correct?

Hon. Mr. Meen: The unpaid amount.

Mr. Cassidy: The amount of the unpaid tax, plus—

Hon. Mr. Meen: Yes, he owes the unpaid tax and a fine; if he owes $50,000 for unpaid tax, then he could owe a maximum of $51,000, with no further fine.

Mr. Cassidy: I had thought that I had got some new meaning out of the Act, and hadn't.

Mr. Chairman, the point I was about to raise then does seem to be valid and that is that the problems of enforcement which are enshrouded here need to be borne in mind.

If the ministry is capable of catching up with most of the people who try to slip around this tax, using various corporate shells and that kind of thing, then the level of fine is fairly adequate. If, on the other hand, experience indicates to people who are in the business of trying to evade taxes that in nine cases out of 10 they can get away and not pay this particular tax—I am not suggesting

that 90 per cent of the tax accruing to the ministry will then be evaded, but I am suggesting that in that certain part of the market there will be individuals who can see that when they try to evade it, nine times out of 10 they succeed. Then they are faced with a 40 per cent tax on the one hand, but a tax which they can evade nine chances out of 10, so that the effective rate of the tax is only four per cent.

I wonder whether that is adequate. I wonder, in other words, whether the upper limit of the fine should not be increased beyond the $1,000, rather than leaving it here right now. The minister must bear in mind that for some people, investing in land in Canada is an alternative to investing in other countries where the economic situations are much different, and therefore the return they are willing to accept is less. The risk of paying that 40 per cent is quite acceptable to them, but the risk of having to pay 80 or 100 per cent of the value of the property might not be.

Hon. Mr. Meen: I don't know how one can really assess at this stage the efficacy of this section any more accurately than we are endeavouring to assess it now, Mr. Chairman.

Mr. Cassidy: This is because you have no information to work on.

Hon. Mr. Meen: The nature of this kind of fine was dealt with in McRuer and a number of our other taxing statutes—as, for example, our Gasoline Tax Act and its penalties. The provisions in that Act for breach of those sections are essentially the same as these. We have not departed significantly from that type of penalty. Now you get a very significant fiscal penalty, like a doubling of the amount of the tax, and also you have the provisions under the Criminal Code for fraudulent false affidavits.

I think we've got to give this an opportunity to be tested to see how effective it is. If the ministry determines that, for one reason or another, we suspect there are people who are taking that risk—it's a risk I can tell members I wouldn't take and I don't think anybody in this House would ever consider taking that sort of a risk but perhaps there are people in this world who would—if we find there are people who we suspect are taking that risk maybe we will have to take another look at this section.

Mr. Cassidy: There are those who seek careers even stranger than politics.

Hon. Mr. Meen: I sometimes wonder.

Mr. Chairman: The member for Riverdale.

Mr. Renwick: I want to ask the minister a question on the change from the three years to the six years. I agree with that. Three years would be quite inadequate to monitor and investigate and find out whether or not a suspicious transfer was one where there had been a false affidavit. I approve of that change.

I'm curious about the accuracy—or whether there is a better way of stating "of the time when the matter of the information arose." It appears to me whenever there is one of these limitation periods we should be very accurate about the point in time at which that arises. I don't claim to know exactly what the time is. I assume that what the minister is saying is that the time when the matter of the information arose would be the time when the conveyance accompanied by the affidavit was tendered for registration, and that that would cover most of the cases. But then there are, of course, the circumstances in which a person need not tender an affidavit but can satisfy the minister.

The minister can issue his certificate in lieu of the affidavit so presumably at that point in time you would be talking about an affidavit which was part of the evidence by which the minister was satisfied that he could receive payment of the tax directly and would issue a certificate so that the document tendered for registration would not be accompanied by the required affidavits. I'm speaking particularly about the affidavit with respect to the value of the consideration. The information would be in the minister's office and not in the registry office.

As I say, I don't claim to know but I do think that the wording "when the matter of information arose" is, shall I say, somewhat less than precise about what the point in time is.

Hon. Mr. Meen: The difficulty in drafting this kind of legislation is to try to catch all these various areas and the member for Riverdale has touched on two of them. The normal one would be the registration of the document with the affidavit. The other one is, as he has said, when suitable information is provided to the ministry to satisfy the minister and he acts on the basis of affidavit evidence or other material provided to confirm that, for example, the transaction had been commenced via returns of a contract executed before April 10. That might be in terms of, say, a copy of correspondence between solicitors acting for

the parties; possibly a preliminary requisition on title, indicating and substantiating the contention that the transaction had been under way before the announcement on Tuesday, April 9. Hence the rather general nature of that clause.

Other than that, I don't think we are going to have too much difficulty in determining when that six-year period will begin because there will be evidence in the minister's office. Possibly the date upon which he issues the certificate or the date of registration of the deed, I would suppose, would be 999 out of 1,000 of the instances. I would hope there wouldn't be all that number to come to the minister. In any event, those would be the triggering dates that I would expect for the commencement of the six-year period.

Mr. Renwick: I agree with what the minister says. The only reason I raise it is that perhaps, as you do follow this bill, it may be that when you are considering further amendments—as you undoubtedly will for the next session of Parliament—of some kind to deal with this Act you give consideration to spelling out precisely those two times. That is, the time when the conveyance accompanied by the affidavit is tendered for registration as the one time and the second time being the point in time and the date on which the minister issues his certificate if the taxpayer chooses to follow that particular route.

Hon. Mr. Meen: I recognize the merit in the observation, Mr. Chairman.

Motion agreed to.

Section 7, as amended, agreed to.

On section 8:

Mr. Renwick: On section 8—

Mr. Chairman: The member for Riverdale.

Mr. Renwick: Sorry, did the member for Grey-Bruce want to comment?

Mr. E. Sargent (Grey-Bruce): I would like to speak for a moment, if I may, Mr. Chairman.

Mr. Chairman: The member for Grey-Bruce.

Mr. Sargent: Somewhere along the line, Mr. Chairman, you will rule me out of order on this, too, but insofar as this whole Act is concerned, it is a version of the reciprocal land tax, which many jurisdictions in Europe have been using for years. I would like to ask the minister why the revenues from these assessments go to the province and not to the municipality concerned? After all, the municipality for years has been carrying this land on its rolls almost tax-free and now, in a boom time, when there is speculation involved, in walks the government and takes the cream off the deal when the money should be going to the municipality.

Does the minister see the logic of this? Why should the province take this money and not give it back to the municipality?

Hon. Mr. Meen: Well, as the hon. member—

Mr. Sargent: Has the minister heard of the reciprocal land tax?

Hon. Mr. Meen: If the hon. member will resume his seat, I'll rise.

Mr. Sargent: Okay.

Hon. Mr. Meen: One at a time around this place, you know.

No, I have not heard of a reciprocal land tax. Secondly, in the recovery under any taxing statute, the moneys do go into the general revenues. We have our grant structure to the municipalities. In fact, the Treasurer (Mr. White) indicated in his budget statement that moneys recovered from the speculation tax – and it may also be that he indicated that some percentage of the moneys recovered under the Land Transfer Tax Act too – would be returned to the municipalities in some proportion. I cannot say with assurance, however, that I believe him to have intended to refer the land transfer tax revenues as well. I think he was speaking only with respect to the land speculation tax when he indicated that a half of those additional revenues would go back to the municipalities in which they appeared to have arisen.

Again, Mr. Chairman, I don't mind answering this question, but it is scarcely appropriate to section 8 of the Act.

Mr. Sargent: We are talking about the assessment, Mr. Chairman, and I just want to leave this point with the minister. All over Ontario, not only in Toronto, we are riding the crest of a wave in development, and along comes the province and takes the big revenue, $10 million or $15 million, that rightfully should go to the municipalities.

Hon. Mr. Meen: Well, that is a matter of opinion. The whole point of this is to take the pressure off the investment dollars that are driving up the price of real estate at present.

We'd be happy as the mischief if not one cent was realized from the non-resident tax.

Mr. Chairman: The member for Riverdale.

Mr. Renwick: Perhaps the chairman will allow me a minor moment of leeway in the bill.

There is the curious situation regarding the payment of tax under this Land Transfer Tax Act—and I am speaking to section 8, because this is where the circumstances may arise—where the minister may authorize the Treasurer to refund tax which has been found to have not been payable. There is a procedure for that refund and a number of other provisions with respect to this question of joint tenancy, but I am dealing now with section 8(1).

There is a curious provision in the Land Speculation Tax Act which imposes an identical tax in certain circumstances related to a winding-up or dissolution of a corporation, first with respect to the sale or transfer in any manner of the beneficial interest in land in a particular corporate situation, and the second one with respect to an amalgamation, merger, consolidation, and so on, where the effect of it is to make control over the use of the designated land by a different person or group of persons.

I take it there was some good reason why the minister felt he had to put those provisions in the Land Speculation Tax Act and not in this Act, and my question is whether or not there are provisions of the Land Transfer Tax Act which should be made applicable to the equivalent tax being levied in those special circumstances under subsection (2) of section 2 of the Land Speculation Tax Act.

Hon. Mr. Meen: I regret to say that I have not followed the argument advanced by the member for Riverdale. He is directing his attention to section 8, subsection (1), which deals with a refund of tax that may have been paid under duress or in some other circumstances. It may have been paid voluntarily, thinking it was properly payable, and then if it is subsequently determined it wasn't, therein lies the authority for me to request the Treasurer to repay that overpayment of taxes. Now what was the point he was raising?

Mr. Renwick: I take it that when you have imposed what is in substance a land transfer tax as well in certain limited circumstances under the Land Speculation Tax Act, is there —I haven't had a chance to study the Land Speculation Tax Act in detail—an equivalent provision to this provision of subsection (1) of section 8 to permit a refund of that tax? Obviously the minister felt that you could not put the provisions of subsection (2) of section 2 of the Land Speculation Tax Act in the Land Transfer Tax Act. I want to make sure because it appears to be, regardless of the method used, the identical tax that is being imposed but in specifically different circumstances. Is there any necessity to incorporate provisions of this Act, such as subsection (1) of section 8, in the provisions of the Land Speculation Tax Act, so that persons who have to pay that additional tax, imposed by subsection (2) of section 2 of the Land Speculation Tax Act, will have the benefit, or be subject to the obligations imposed by the general sections of the Land Transfer Tax Act? I don't know whether that has made it any clearer or not.

Hon. Mr. Meen: Yes, it has, and thank you very much, Mr. Chairman, through you to the member for Riverdale. Yes, obviously—and he understands the point—we cannot provide for mergers and amalgamations and that kind of problem of non-resident Canadian corporations, let's say, to avoid the land transfer tax otherwise payable in this Act. We have incorporated it into the Land Speculation Tax Act as he has indicated, and there are provisions in the Land Speculation Tax Act for redress in similar circumstances.

Mr. Renwick: Thank you. On subsection (2), I can understand the reason for subsection (2), and I can understand the methods used in items (a) and (b) for carrying it out. I am curious about the reservation:

> But no refund shall be made if the land is held in joint tenancy by the non-resident person and the persons who are not non-resident persons, or if the minister is of the opinion that the land conveyed to persons who are not non-resident persons cannot readily be distinguished from the land conveyed to non-resident persons.

It seems to me that it would be quite unfair, where land is held in joint tenancy, to impose the full amount of the tax and not take into account the joint tenancy relationship even though, at some specific point in time in the future, if the Ontario resident dies, or the non non-resident person dies, or if it is a corporation it is dissolved or wound up, at that point in time the tax on the other half might become payable if it were vested in the non-resident joint tenant, and it seems to me to be quite unfair to impose such a heavy tax where only half the tax should be imposed.

Hon. Mr. Meen: Mr. Chairman, we have wrestled with this problem. One thing is that nothing is triggered in the registry office by the death of a joint tenant. In the case of an individual, all that would have to be done would be the filing of a certificate of death and the appropriate succession duty consent, if required. That would make the title marketable in the hands of the surviving joint tenant.

Furthermore, if one is going to try to apportion the interests, as one can do in the case of a tenancy in common, as between joint tenants who have inherently the right of survivorship, then one has to look at the actuarial tables to determine the life expectancy of the two joint tenants, if they both happen to be individuals, and which one is likely to survive the other. So, for the purposes of this taxing statute, we felt it preferable to not provide for any apportionment where they take title as joint tenants.

I might give the illustration, for example, of a conveyance to an elderly person here in Ontario in joint tenancy with, let us say, a younger daughter who is a non-resident. Under those circumstances, how are you going to determine the apportioned interests of those two, with the life expectancy of the mother being probably, and at least actuarily, a good deal shorter than the life expectancy of the non-resident daughter, who would take the title by the fact of survivorship and without any triggering effect of which we would have notice. I therefore have this exception in here.

It will be interesting, over the next few months, to probably deal with some actual cases along this line and to see if it's going to be possible to work out some kind of rule that might be used to apportion the interests. But it seems like a difficult task to undertake at this point at any rate.

Mr. Renwick: I would like the help of my colleague, the member for Kitchener, because I don't feel that I am particularly expert in this. As I understand it, two corporations can hold land as joint tenants and not as tenants in common, or they can hold it in tenancy in common; either one.

Mr. Breithaupt: Yes, no problem.

Mr. Renwick: No problem about it.

Hon. Mr. Meen: I recognize that.

Mr. Breithaupt: Yes, you can have tenancy in common.

Mr. Renwick: Two corporations can do it as well as two persons. It just seems to me that what you are saying is that a resident person, who happens to be a joint tenant with a non-resident person, be he an individual or a corporate body of some form, or a partnership or joint venture of some kind, that you are going to penalize—and I use the word advisedly—the Ontario resident or the Canadian person. You are going to penalize him by requiring him to pay double the tax that he would otherwise have to pay. In other words, he is going to have to pay the 19.4 per cent of the tax simply because your ministry hasn't been able to devise the methods by which to specify it, detail it or spell it out in order to establish those percentages.

Mr. Breithaupt: I can see the point, Mr. Chairman, which the member for Riverdale is bringing forward. It also seems to me that there is the possibility of a certain strain arising where an Ontario corporation and a foreign corporation hold lands in joint tenancy, because the corporations obviously have the right of perpetuity, and if the Ontario corporation has all Ontario citizens as directors, it of course fits in quite nicely to the plan of ownership of Ontario property by Ontario corporations. It would only be in the event of the dissolution of the Ontario corporation that this whole matter would fall in, and that the tax situation would become a particular thorny one. I am wondering what the minister can tell us about the blocking of that possible loophole of joint corporate tenancy, as it were.

Hon. Mr. Meen: Well, we have obviously plugged it by ruling it out. That's exactly the point. Obviously there is no life expectancy table one can look to when he is talking about a couple of corporations holding title in joint tenancy. They will survive until they are put into bankruptcy, one or other of them, or unless they are voluntarily wound up and their assets distributed. With the windup of one corporation then in a joint tenancy, the asset would flow to the other. On the final dissolution and surrender of the charter of the first company, the surviving company would take all. Consequently, it's perfectly clear that we cannot allow a joint tenancy arrangement.

If you set up a tenancy in common, then of course the interests are defined and can be ascertained. The Ontario resident who takes a portion of a title, together with—let's use that term—a non-resident can protect himself or herself by simply spelling out the interest and thereupon only paying tax on that interest at the lesser rate of three-tenths of one per cent or six-tenths as the case may be.

Mr. Breithaupt: Then with regard to the tax, if there was the situation of, let's say, a 60-40 tenancy in common and this was particularly spelled out, the burden would obviously then shift to the foreign corporation to sort out its own problem in its own proportionate requirement.

Hon. Mr. Meen: Yes.

Mr. Chairman: Shall section 8 then stand as part of the bill?

Mr. Renwick: All I want to say is I recognize the problems. I just hope that the ministry will immediately direct their minds toward solving that problem. It is fundamentally unfair in a circumstance such as this to tax a Canadian person owning land in the Province of Ontario at the rate of 20 per cent, instead of at the rate of one-third of one per cent or one-sixth of one per cent, simply because the ministry can't spell out the methods by which to cover the question.

Hon. Mr. Meen: I don't think it is a matter of not being able to spell them out. It's a matter of plugging loopholes that would otherwise be obvious. The member for Kitchener pointed out himself that that is a loophole which we've plugged. Otherwise it would be just a delightful device in order to enable a non-resident corporation to acquire land here in Ontario without having to pay the non-resident tax. It would be a very cheap way to do it.

Mr. Renwick: I really think that you can find a method to spell it out without penalizing the Ontario resident because I think that the minister and his colleagues have said that they don't want to impede the flow of capital. It may very well be if the validity of the argument put by this party and by the Liberal Party is correct, that in fact this will not be a disincentive but will become a cost of doing business. It may very well be that a foreign person, individual, corporation, or partnership will enter into joint tenancy with somebody in the Province of Ontario simply on the basis of carrying out a legitimate project and then find themselves stuck with the full amount of the tax. You can posit an open and above-board 50 per cent partnership joint venture arrangement and you are penalizing him.

Hon. Mr. Meen: I can't imagine two corporations setting out together in joint tenancy on that kind of basis. They might very well go into it in partnership but they would be tenants in common on that basis, not joint tenants.

Mr. Renwick: They can make provision for being joint tenants if they so want to.

Hon. Mr. Meen: Maybe, and thereby penalize themselves.

Mr. Renwick: Pardon?

Hon. Mr. Meen: They will pay the full tax in that case.

Mr. Renwick: That's right. But I'm also pointing out to you again, and the member for Kitchener may be much more well versed in it than I am, that I really don't understand why you singled out the joint tenancy and didn't include the tenancy in common in the same kind of an arrangement. It's equally difficult.

Hon. Mr. Meen: No, it is not equally difficult. In the case of the tenancy in common you can identify the respective interests of the parties. In the case of the joint tenants, winner takes all, survivor takes all. So, consequently, you cannot identify the respective interests of the parties who take in joint tenancy. I think lawyers, if they were to advise two corporate clients to get together on a joint tenancy basis would be out of their respective minds, because they wouldn't do it that way. They would have a joint venture, but that does not mean joint tenancy, or they would have a partnership agreement of some sort. What the member for Riverdale is raising, I suggest with all respect, is a vacuous argument.

Mr. J. E. Stokes (Thunder Bay): Never.

Hon. Mr. Meen: In fact, this is a loophole we are plugging, not something that we are creating. This is just one of those avenues which we've envisaged, and I believe we've satisfactorily closed it.

Mr. Renwick: Mr. Chairman, I just—

Hon. Mr. Meen: But the reason we refer to joint tenancy is because you cannot identify the respective interests.

Mr. Renwick: Mr. Chairman, I just want to say that with the help of the member for Kitchener, I think in the ecumenical spirit of the debate we could characterize my argument as vacuous. I very seldom use that term in reference to my arguments, or would agree to it, but I think in this case it was an accurate statement.

Hon. Mr. Meen: I might say, Mr. Chairman, I very infrequently refer to arguments of the hon. member for Riverdale as vacuous.

Mr. Breithaupt: I'm sure, Mr. Chairman, that the minister will agree that the approach of the possibility of two corporations holding in joint tenancy would have been a great idea, if it hadn't been otherwise stopped.

Hon. Mr. Meen: Thank you very much.

Section 8 agreed to.

On section 9:

Mr. Chairman: On section 9 the minister has an amendment to subsection (1).

Hon. Mr. Meen moves that clause (c) of subsection (1) of section 9 of the bill be amended by striking out "may be required" in the fifth line.

Mr. Chairman: Shall this motion carry?

Mr. Renwick: Mr. Chairman, I wanted to just speak to the section, not necessarily to that amendment. Would it not be wise for the minister to consider, at some point, rather than have this blanket authority to enter upon people's premises and take their business records, and carry away property and so on, to make a provision in here that the minister or the person authorized by him to make the entry and to do the things listed in all of these clauses should be required to get a warrant from a county or district court judge before exercising this very drastic right of entry and search and seizure?

Hon. Mr. Meen: Mr. Chairman, I don't know—and I don't suppose anybody else does at this moment—just what kind of procedure it might be necessary for our auditors and investigators to follow. Checking this, it might not be practical at all times to get an order before seizing the necessary documents in order to enforce this legislation.

I might observe that it's the same as in our other taxing statutes—

Mr. Renwick: I realize that.

Hon. Mr. Meen: —and I think if we did this—and I'll take a look at it all—it would be in the overall picture of a review of the procedures in all my revenue statutes.

Mr. Renwick: And that's precisely why I raised it in the general way that I did. I really think that the revenue can be very well protected, and the investigations carried out, by a provision which requires a reference either to a county court judge, a Supreme Court judge or to a provincial court judge, for a warrant to enter. Then you could perhaps spell out an emergency situation where you could move in and deal, and the person whose premises were entered, whose records were searched, whose documents were seized, might have 48 hours to go and dispute the validity of the seizure—some such procedure. But I know if my colleague the hon. member for Downsview (Mr. Singer) were here, he would certainly share with me that concern about this kind of arbitrary entry, seizure and search provision in these taxing statutes.

Mr. Chairman: The hon. member for Ottawa Centre.

Mr. Cassidy: Yes, Mr. Chairman. Subsection (5)—I presume we're on the section as a whole, as well as the amendment.

Mr. Chairman: If it has nothing to do with this, we could carry this and then go to subsection 5.

Motion agreed to.

Mr. Chairman: Now, the hon. member for Ottawa Centre.

Mr. Cassidy: On subsection (5), Mr. Chairman. The penalty for obstruction is $25 for each day in which the obstruction continues, or a total of about $9,000 a year. Now, I presume that there are probably powers elsewhere that would permit the minister to seek an injunction against any person who continued to obstruct inspection of records. Does this come from other taxing statutes or—

Hon. Mr. Meen: Yes.

Mr. Cassidy: It does, eh?

Hon. Mr. Meen: The answer is yes, Mr. Chairman, it does.

Mr. Cassidy: Would the ministry then use an injunction in the case of a large apparent evasion of tax in which obstruction was occurring? Because the penalty itself is not sufficient.

Hon. Mr. Meen: I don't think the remedy of injunction would be appropriate in this instance, Mr. Chairman, but I am sure there are other provisions available to the ministry for the obtaining of necessary documentation.

Section 9 agreed to.

Mr. Chairman: Any comments, questions, or amendments on any section up to and including section 14? Nothing up to section 14, inclusive.

Sections 10 to 14, inclusive, agreed to.

On section 15:

Mr. Chairman: The minister has an amendment to section 15.

Hon. Mr. Meen moves that subsection (1) of section 15 of the bill be amended by adding at the end thereof "but no interest is payable for any period of time prior to the day upon which this Act receives royal assent."

Mr. Chairman: Shall this motion carry?

Mr. Cassidy: I have one problem on this.

Mr. Chairman: The member for Ottawa Centre.

Mr. Cassidy: The subsequent section 16 provides for deferral of remission and the minister has also made reference to the possibility of the non-resident posting security in order to clear a lien under the short-term provisions of the Act. There is reference elsewhere to posting a security once the Act's given full force. Does the interest on unpaid tax apply where the tax is deferred or remitted and then subsequently becomes due, or where security has been posted?

Hon. Mr. Meen: The terms of section 16 are broad enough to permit me to defer the tax without interest or with interest or on what other terms the ministry may see fit, Mr. Chairman. But we're not on section 16 yet. I think we should direct our interest to section 15.

Mr. Breithaupt: The only question I was going to ask with reference to that particular point, following the comments of the member for Ottawa Centre, is that any security which you might require could be double the amount of a possible tax liability anyway. This wouldn't necessarily have to be of particular concern to you, as I would understand it.

Hon. Mr. Meen: Yes, I would agree with that.

Motion agreed to.

Mr. Chairman: The member for Riverdale has a further comment on section 15.

Mr. Renwick: I just have this minor comment. Perhaps the minister's advisers would look at it and see whether it makes sense. It provides for a variation of the nine per cent rate by regulation. In looking at the regulatory power in section 18 there is no provision specifically related to varying such a rate and I rather object to seeing the variation of a penalty rate such as that being left to the general clause respecting "Any manner necessary or advisable to carry out effectively the intent and purpose of the Act."

I suggest that between now and the time we get to 18, perhaps the minister's advisers would look to see whether or not we shouldn't add another subsection in section 18, subsection (2), to provide for the variation of that nine per cent rate.

Hon. Mr. Meen: Mr. Chairman, one of the difficulties we face is that whenever you are introducing new legislation it comes into effect at the moment of proclamation. Then you have to have an interest rate everybody knows about. We think nine per cent is a practical figure right now.

Mr. Renwick: I'm not worried about the rate. I'm simply worried about the provision which says that at some point in time you may change the rate and there is no provision in the regulatory provisions specifically authorizing the regulation to be made.

Hon. Mr. Meen: I think we might take a look at section 18 when we get to it. I had a notion that it was broad enough to authorize the Lieutenant Governor. If it says "At such other rate as may be prescribed by the Lieutenant Governor in Council" by regulation, I think the provisions of 18 would be broad enough to cover it.

Mr. Renwick: It may well be. I simply ask for advice and say that maybe we should have a specific heading.

Hon. Mr. Meen: In any event, we can take a look at that. As a matter of fact, perhaps we could put together an amendment that would cover a variation on this. As I look at this now, I don't like for example, to have to look at subsection (g) of 18(2).

Mr. Renwick: That is precisely my point.

Hon. Mr. Meen: That's not really intended to cover an increase in interest rates. Perhaps my legal counsel, in conjunction with the legislative counsel can put together an amendment that would be suitable.

Mr. Chairman: Will that be to section 15?

Hon. Mr. Meen: I think it would be a subclause in 18, Mr. Chairman.

Section 15, as amended, agreed to.

On section 16:

Mr. Chairman: The minister has an amendment to section 16, subsection (2).

Hon. Mr. Meen: Yes. Although I earlier indicated that I thought subsection (1) of

section 16 was not broad enough to accomplish what we anticipated might be necessary for, for example, liens and postponement of liens and the like, it would now appear it is broad enough to cover that. I have a subsection (4) which I would propose to be added to section 16. I will read my motion, Mr. Chairman.

Mr. Renwick: Is this an amendment?

Hon. Mr. Meen: Yes, it does entail a minor amendment to subsection (2) as well.

Hon. Mr. Meen moves that subsection (2) of section 16 be amended by inserting after subsection (1) in the first line "or a rebate under subsection (4)" and that the said section 16 be further amended by adding thereto the following subsection (4):

> Where tax is paid under subsection (2) of section 2 as the result of a tender for registration of a final order of foreclosure under a mortgage or charge affecting land and where the mortgagee or chargee who acquires the beneficial interest in the land by virtue of the final order of foreclosure sells within three years after the date on which the final order of foreclosure was given, all or any part of the land so acquired, to a person who is not a non-resident person, the minister may, subject to subsection (2), rebate to the mortgagee or chargee the tax that was paid on the tender for registration of the final order of foreclosure and that is, in the opinion of the minister, referable to the value of the consideration for the final order of foreclosure attributable to the portion of the land sold. In addition to the amount of the rebate, the minister may authorize payment to the mortgagee or chargee to whom the rebate is made of interest on the amount rebated at the rate of 4 per cent per annum or such other rate as may be prescribed by the Lieutenant Governor in Council by regulation.

Motion agreed to.

Mr. Chairman: The member for Ottawa Centre.

Mr. Cassidy: I would like to raise some very serious questions about the section as a whole, Mr. Chairman. The government has stated that it wishes to deter speculative capital coming into the Ontario real estate market from abroad. We have commented at some length and had a discussion about loopholes and various means by which that capital could still come in. It seems clear that the position of the minister and presumably of his government is that foreign real estate capital can come in under certain forms but not under others.

In the absence of any clear understanding of the market or any clear facts about the market, we have had no indication as to how much money is coming and what form it is coming in. The ministry is flying in the dark. But the ministry's position seems to be that it doesn't really want to deter this money coming in. It is only the form by which it has been coming in that bothers the government. I don't understand that position but I am trying to sum up the position that you, Mr. Minister have taken.

This section permits the foreign capital to come into the real estate market and not to pay the penalty at all under certain conditions. Could the minister explain in some detail the kinds of conditions that he might lay down in order to permit evasion or deferral or omission of the tax under this section.

Hon. Mr. Meen: Of course, Mr. Chairman, I have already mentioned that we are not about to try to close off, freeze out or however you want to describe it, mortgage financing in our construction industry here in Ontario. Were we to have a section that precluded a non-resident mortgagee from foreclosing on security on a loan made for the bona fide purposes of, let's say, the construction of a dwelling, we do not want to inhibit them from making that loan if they have to speculate on having, at some stage or other on a foreclosure—statistically, maybe, one in 1,000 or something—to pay the 20 per cent land transfer tax, with respect to that foreclosure. So the principle is we are quite happy to see money come in—

Mr. Cassidy: On a point of order, Mr. Chairman.

Hon. Mr. Meen: —for security loans.

Mr. Cassidy: Section 16(4) has been passed. We accepted that and I understand that point being made by the minister about foreign mortgage money. It is section 16(1), which permits remission or deferral of the tax to foreigners when they are buying land for development that we are concerned about.

Hon. Mr. Meen: I am sorry. My apologies. Let's say we wanted to see a certain kind of industry locate in a depressed area of Ontario and that a certain non-resident corporation

came to us and said, "It is a balance of economics whether we acquire the land here in Ontario or there is some other jurisdiction. If we locate here, we will bring X number of jobs and millions of dollars of assessment to the economy.

It would then be possible for the ministry to weigh these and to determine whether it was in the best interests of the people of Ontario to forgo the non-resident tax in that circumstance in order to have that business located in Ontario. I would suggest we have already made it quite clear that we do not want to discourage industry from locating here in preference to some other part of North America if it can be shown to our satisfaction that it is in the interests of the people of Ontario to do so. We would be very unwise indeed to settle for a paltry 20 per cent if it were a matter of a new industry in the right place at the right time creating more jobs for our people.

Mr. Cassidy: Okay, Mr. Chairman. What about an industry which wishes to settle in the "golden horeshoe" or in Oakville or in the Toronto area? Would the tax be remitted in that particular case if the industry was non-resident or was foreign-controlled? Secondly, what about a foreign development firm which wished to acquire land in Ontario for commercial development or for residential development?

Hon. Mr. Meen: One cannot answer the first question in specifics. It might be that we wouldn't want a particular industry in the "golden horseshoe." It might be that on the other hand we would quite happily accept some other industry if the nature of its operations, the jobs it provided and all the rest were in keeping with the goals and objectives of the government and of the province. So one would have to look at every one of these on its merits and determine whether we would or would not welcome them on that basis.

The other one was with respect to building corporations, and, of course, the provision is, if the non-resident corporation purchases the land, develops it or resells to residents then there again would be a waiver of the tax. If they were prepared to come in and say, "Look, we are going to develop this 1,000 acres and put 5,000 homes in here. We don't want to have the carrying cost of the 20 per cent even if you tell us you will give it back to us later on," then as I said in the House this is one of the circumstances under which we would say, "Okay, we will take a lien for your unpaid tax, but if you build and resell and in the course of the construction, for that matter, if mortgage loans are advanced, we will postpone our lien in favour of the bona fide mortgage loans made by companies to builders who are constructing homes."

If, in due course, the property is sold to non non-residents, to quote the hon. member for Riverdale, then the tax would be waived and the lien would be cleared from the title once and for all. That is the kind of discretion that lies under section 16(1). As I mentioned earlier, I had some doubts as to whether the words in the middle of that paragraph were broad enough, but my counsel advised me that they are.

Mr. Cassidy: This is the extraordinary kind of thing, the minister gives a number of examples but effectively at the end he says that a foreign firm will be able to operate in the development industry in Ontario on the same terms and conditions as a domestic firm.

Hon. Mr. Meen: Why not? Would you cut off the construction industry and deny our people hundreds of thousands of homes simply because it was a foreign corporation that was building those homes for our people?

Mr. Cassidy: I just wonder whether this thing can't be handled domestically. The labour is domestic; the mortgage money is domestic; the building materials are basically domestic. Now, what exactly is it that is contributed from abroad, and how much is it that is contributed from abroad by foreign entrepreneurs coming in, and how do you balance that against the fact that they are in Canada, in Ontario, hotting up the market for land and the minister is going to allow them to hot it up?

Hon. Mr. Meen: They are only hotting up the market for land because there is a demand for housing. They are going out and they are acquiring land into inventory. They are developing it. They are putting it on the market as serviced lots. In some cases they are building homes on it. In any case, they are providing our people with the housing accommodation they need, and this element of the building construction market is not inconsequential. That is, when I say this element I mean the non-resident as defined by our Act. The non-resident building corporations and land development corporations operating in Ontario are a significant segment of the community.

Mr. Cassidy: There is incredible faith in the power of the corporation, then, Mr. Chair-

man. It is Canadian workers who are providing the housing. It is Canadian loggers and people producing building material that are providing the materials. In large measure it is Canadian savers who are providing the mortgage funds with which these properties are being built. It is not foreigners. The foreigners come in and simply put it all together. I would like to ask how many years of inventory does the minister consider that he will permit in residential and commercial development, how many years of land inventory will be permit before applying the tax?

Hon. Mr. Meen: It would be necessary to assess this picture as we get a little further into it, Mr. Chairman. But I would venture to say that a 10-year inventory would not be an unrealistically long period of time. I understand that some companies, with their progression through the various stages, actually wind up with inventories over longer periods of time. I am told that to bring raw land to finished dwellings, up to now has been more than five years, for example. So if you are progressing through that stage you might have an inventory ranging between five and 10 years, and a fairly realistic turnaround of land from raw farmland to finished occupiable dwellings.

Mr. Cassidy: It seems to me, Mr. Chairman, that there has certainly been pressure—which I gather the minister is going to respond to on the other tax, the land speculation tax – to permit large developers to spin off a certain amount of their land to smaller housebuilders and developers who don't carry a substantial land inventory. If that right is given to domestic or Canadian development firms, like Cadillac and Meridian, then it would seem to me that there will be equal pressure and justifiable pressure, according to the lights of the government, to give the same permission where there is a foreign development firm which has got a land inventory of nine or 10 years' worth of land.

After all, the Minister of Housing (Mr. Handleman) who sits next to this minister has got an interest in getting that land to market and in trying to get more lots on to the market and therefore he will be seeking to get some of it out of the inventory of firms, whether they are domestic or foreign-controlled, and into production.

Under this particular clause the foreign firm would thereby be unable to sell off its land to other development firms – if the changes that I'm suggesting will come do come—and evade the 20 per cent tax, and at that point it is effectively benefiting from speculative gains in land prices and it's doing what the bill originally set out to avoid.

Mr. Chairman: Shall section 16, as amended, then stand as part of the bill?

Mr. Renwick: Mr. Chairman, I've got a couple of comments.

I think that the point which my colleague, the member for Ottawa Centre, has raised is a fundamental point going to the whole difference between the attitude of this party and the government's attitude. This is an area where I don't think there are any complete answers at the present time. There is a great deal of validity in what my colleague, the member for Ottawa Centre, has said.

I wanted to deal with one matter which comes up under subsection 1 of section 16. Concerning these conditions which are to be or can be imposed by the minister, as conditions with respect to the deferment or remittance of the tax if the taxes happen to be paid. Are these the conditions that are going to be spelled out in regulations having regard to section 18(c), which says the power of the Lieutenant Governor in Council to make regulations "providing for the refund of tax in whole or in part owing to special circumstances, and prescribing the terms and conditions under which such refund may be made . . ."?

So my question specifically is, is it the intention for the minister to make conditions within the terminology of subsection (1) of 16 that will not be known to the public? Or is it his intention to make and impose those conditions, either in specific terms for particular transactions or in general terms if general terms are available, so that the conditions which have been imposed by the minister will be publicly known?

I'm inclined to think that, because this is an immense power given to the minister, there should be some clear publication of what the conditions are that are imposed with respect to any particular transaction if you go forward to carry this out. In reading the regulatory power it seems to me that maybe that was where it was intended, but it can't have been clearly intended because it does not provide for a deferral of the tax. It simply deals with the refund.

Hon. Mr. Meen: Mr. Chairman, my own personal proclivity is to make this sort of thing public. I would not want this kind of arrangement to be some secret kind of little deal—some sweetheart arrangement, as might be alleged by hon. members opposite. And in my opinion, although under 16(1) the

orders in council would not be done by regulation, and therefore would not, in that legal sense of publication in the Gazette, be public, it would be my expectation that whenever these arrangements were made that they could be publicized so that people would know the exercise of discretion that was accorded to the minister.

I agree with the hon. member for Riverdale that, at this stage, where so much of this is not yet capable of precise definition, it's necessary to give what appears to be pretty extensive power to the minister and to the Lieutenant Governor in Council. I think it would therefore be appropriate if the exercise of it were publicly known.

Mr. Renwick: That is the kind of language I would like to see in this section, because I am inclined to think that it doesn't lend itself to spelling out in regulations as set out in section 18. It seems to me that you are probably going to deal with particular situations and you are going to make up your minds at that time.

It seems to me, therefore, that the language should read, "The Lieutenant Governor in Council may on the recommendation of the minister, by order in council, defer the payment of the tax or remit the tax paid on such conditions as the use and development of the land or otherwise as are considered advisable and sufficient to ensure the development of the land as proposed and its conveyance to persons who are not non-residents and as set forth in the order in council."

I am not talking about the elegance of the language at the moment. I am talking about the intention that it be done by order in council, that the order in council contain the terms and conditions on the basis of which the deferment or the remittance of the tax has been imposed. I think I may have an opportunity in a minute to sit down and write out my version of that change so that the order in council is then, as I understand it, published in the office of the clerk of the council. It's available for perusal by the public, not necessarily widely distributed, but at least it is posted up and available.

Hon. Mr. Meen: I wonder, Mr. Chairman, if I could interject that my counsel advises me that the wording of 16(1) accomplishes just what the hon. member for Riverdale is seeking to accomplish. The orders in council are public documents so that this sort of thing accommodating those—and I can assure him that the reasons for the order would be set out in it—would therefore be a public document.

Mr. Renwick: Well, I am content, I am content.

Hon. Mr. Meen: It turns out that we have limitations that we don't presently see, and I would entertain an amendment at a later time. But I think I would like to get on with this one at the moment.

Mr. Renwick: I recognize that, but I take it then that what the minister is saying to the House is a commitment on his part that any such approval for remittance or refund or deferment of the tax will be done by order in council and that that order in council will contain the terms and conditions on which that deferment or remission or refund of tax is made.

Hon. Mr. Meen: Let me respond simply by saying that in my limited experience in this I can say, as I understand an order in council of this nature, we would set out the terms and conditions which applied and therefore the reasons for and the conditions and the terms imposed upon the non-residents at the time when the order in council was made.

Mr. Renwick: Mr. Chairman, I have one further question. The minister can correct me—I may be dreaming, and I don't have a copy of the Treasurer's budget statement—but wasn't there a five-year period with respect to time within which these conveyances to persons who are not non-residents with which it was to take place?

Hon. Mr. Meen: I believe the Treasurer did mention that in his budget statement. Whether five years is going to be adequate for all purposes, I don't think I can say. As I mentioned in reply a few minutes ago to the hon. member for Ottawa Centre, the deferral period may or may not be realistic at five years. Some people tell us that that is an unrealistically short period of time. But I think that it was in that context that the hon. Treasurer did mention the five years in his budget statement.

Mr. Cassidy: Mr. Chairman, I want to come back to the section now, because there is a clear difference between the government party and our party about this particular section.

The minister states that any company which wants to say that it's going into residential or commercial development would be able to benefit from the exemptions that are put forward in this section. I would gather that this would apply, not only to a company actively engaged in development now, but also to a company that came along and said:

"Look, we would like to become engaged in development and therefore we are currently acquiring land to have a seven- or eight-year inventory. The land we are acquiring today is land which is fairly close to being developable and we hope to actually get into the business in two or three years' time."

That can amount to a very sizeable acreage that a foreign-controlled company could acquire without having put a shovel in the ground. Yet, the ministry would feel compelled, I would suggest, to grant the exemption with the liens while this land inventory was acquired.

Subsequently, in three or four years time, if the company then came to the ministry and said: "Look, we're sorry. We made a mistake;" or "our board has decided we're going to go into Australia, or some other country instead of Canada;" they would sell out and they would be liable to 20 per cent tax, but it would be a deferred tax and they would have got a free ride for three or four years in a market which recently has been very inflationary.

Hon. Mr. Meen: Not necessarily. It might be that not only would the tax be payable but interest at nine or 10 per cent, or whatever per cent was agreed on or was set out in the order in council as appropriate, would then be payable.

Furthermore, if he sold it at any markup over his initial cost he would be paying the 50 per cent land speculation tax on top. Thus under those undesirable circumstances where he in effect has defaulted on his undertaking, he gets taxed under both the statutes.

Mr. Cassidy: The minister can't have it both ways. I mean on the one hand they say that the various taxes will put up a substantial deterrent, and on the other hand the estimates, which are admittedly guesstimates, indicate that at least $300 million worth of property will be bought and will be liable to this particular tax.

Mr. Cassidy moves that section 16(1) of Bill 26, be deleted and all succeeding sections be renumbered accordingly.

Mr. Cassidy: I don't propose to put up an alternative at this particular point. I think this clause as it stands is wrong, that it simply permits development companies and foreigners to continue to engage in real estate transactions in Ontario and that therefore it will have no real effect. This is the clear dividing line, because this party says, and I believe the opposition party as well have said, that the recommendations of the select committee should have been followed. The ministry chose otherwise and it will, I suggest, be ineffective.

Mr. Chairman: Mr. Cassidy has moved that section 16—is that all of section 16?

Mr. Cassidy: Section 16(1), Mr. Chairman.

Mr. Chairman: Oh yes, I'm sorry. That section 16(1) of Bill 26 be deleted and all succeeding subsections be renumbered accordingly.

Shall this motion carry?

Some hon. members: No.

Mr. Chairman: Those in favour of Mr. Cassidy's motion will please say "aye."

Those opposed will please say "nay."

In my opinion the "nays" have it.

I declare the motion lost and the section carried.

Section 16, as amended, agreed to.

On section 17:

Mr. Chairman: The member for Riverdale, on which section?

Mr. Renwick: We just got caught out on a procedural motion.

Mr. Cassidy: It adds zest to the government when it's me, Mr. Chairman.

Interjections by hon. members.

Mr. Chairman: Order please. The member for Riverdale on which section?

Mr. Renwick: Mr. Chairman, I'm going to speak on section 17 now, but actually there may be a brief reference to section 16 because I got caught out on that procedural motion that was just passed.

I want to make two points. One is that I think the record has got to be very clear and the minister should make a statement very soon, publicly, that the five-year period that the Treasurer referred to in his budget

has now disappeared and that the government is not fixing any time limit. If they had to fix one, they would probably fix it at 10 years.

Mr. Cassidy: It's open season for them.

Mr. Renwick: He ought to make some kind of a statement about it because most people were of the impression that there was a specific time limit.

The second point I want to make, speaking as I am on section 17 but referring to section 16, is that section 16 very clearly is the dangerous section with respect to who is to bear the tax, who it is intended will bear the tax; and a very strong argument on the constitutional question which we discussed some time ago with respect to sections 2 of the bill and sections 4 of the bill and now with section 16, can be buttressed. There it is perfectly clear that it is the non-resident person who is intended to bear the tax and that that's the purpose. Therefore it is an endeavour to levy either an indirect tax outside the province or a direct tax outside the province. I simply say it is unconstitutional.

Will the minister, under section 17, comment about the way in which he is going to avoid collusive predating of documents? By that I don't mean collusive as between the minister and those who might be tempted to predate documents, but how does he intend to make certain to his satisfaction they don't monkey around?

I would think there may have been a lot of activity in a lot of places on the night the budget was introduced for anybody who happened to know about this. There is a certain leeway with respect to the predating of documents and the filing of them with the minister and so on.

I've just had a note from our research director, who as the minister knows is knowledgeable in tax matters and who has obviously been in touch with persons who have indicated their concern to her about it. She is told that the ministry may allow very tentative commitments made prior to May 16, such as options, to be exempt from the 20 per cent tax. Perhaps that should be clarified. It would be easy for parties to reduce such tentative agreements to writing with predated letters perhaps.

Hon. Mr. Meen: Mr. Chairman, I suppose there are always going to be people who will risk their professional status or otherwise to recognize a short windfall gain of their own by something like this. We recognize that with the budget being announced between 4 and 4:30 p.m. on April 9, from there until midnight there might be a little scurrying around to get some agreements signed, to get some options executed on that day. We also recognize there may well be some in the days that followed—after they picked up their morning paper they realized that the time had passed and perhaps they hadn't gotten around to formalizing the documentation. There may have been those who would backdate something in order to fall within the dates as provided for in the Treasurer's announcements.

But to get down more specifically to the questions raised by the hon. member for Riverdale; if an agreement of purchase and sale is tendered, with affidavit evidence by the witness that it was executed on or before April 9, that, subject to scrutiny, would be acceptable to my ministry and to me. I'm sure the lawyers in the House will recognize that often the case is that there is no affidavit of execution attached to an agreement of purchase and sale, although the form is there. I would say that in circumstances like that where there is correspondence between the solicitors for the parties, and it could be produced to me, that on its face was bona fide, showing that solicitors for the parties had exchanged letters with the purchaser—let's say the purchaser's solicitor requesting a draft deed from the vendor's solicitor—and advising him as to the way in which the grantee should be described in the deed, perhaps even submitting a preliminary set of requisitions on title; possibly it could be an exchange of documents where there is an original of a letter from the solicitor for the vendor sending a draft deed and possibly some other documentation at that time—a copy of a survey and so on—all of these on their face having occurred before April 9, this kind of evidence would also, in my opinion, satisfy the ministry that these were bona fide transactions entered into before the announcement in the budget.

Mr. Chairman, an option, even if not exercised, but executed itself as an option, has in my opinion some validity which I think we would seriously look at. Certainly we would look at it under the Land Speculation Tax Act. I think one might look at it too with respect to the Land Transfer Tax Act.

It is this sort of thing that we will have to consider as the weeks move along. I would emphasize here again, as I have been saying on every occasion to these people who do not anticipate closing their deals before May 15, that I suspect the Act will provide

for filing of the documents with me before that time. Anyway, I trust that answers the questions by the hon. member for Riverdale.

Mr. Renwick: Mr. Chairman, if I may say something on a matter, which again is not strictly on section 17, my colleague the member for Windsor West (Mr. Bounsall) has just raised what may be, if it is, and it appears to me to be, correct, a very serious problem with respect to the definition of non-resident. It may be that the advisers of the minister would give consideration to the point in case at the end of the bill, and before it is finally passed we might revert if the point is an important one.

Hon. Mr. Meen: Sorry, I missed that. What was the point again?

Mr. Renwick: I have not made the point yet. It is a point that my colleague, the member for Windsor West, has made with respect to the definition of a non-resident person.

A non-resident person means a person who, if ordinarily resident in Canada – and we provided a lengthy definition of ordinarily resident – is neither a Canadian citizen nor an individual who has been lawfully admitted to Canada for permanent residence in Canada. My colleague points out that there are a large number of British subjects in the Province of Ontario who never got around to taking out landed immigrant papers even though technically they may be required to do so and who are not, therefore, Canadian citizens but who have lived here for many years. We wouldn't want, inadvertently I am certain, if the clause reads as it appears to me to read, to be saying that those persons are not residents of Ontario and are caught by being non-residents.

I simply ask the ministry, if the logic of my colleague's comment is correct, that they consider making an amendment to the bill, if the committee would revert at the appropriate time to that section.

Hon. Mr. Meen: Mr. Chairman, the definition is very complex and we wrestled, I can assure the members, with that for hours. Hours and hours of time were spent on coming up with what we felt was an appropriate way to tackle the whole of all of those definition sections. I would be reluctant to try to tinker with that now.

I am inclined to agree with the sentiment expressed by the member for Riverdale as to such individuals, provided they are lawfully here. I would think that we could probably cover by regulation, by our sub-clause (g) of section 18, to which we may have cause to refer later. I would think there may well be authority to look at that.

If the British citizen, though, is residing here in Canada, surely he must have come here legally. Therefore, I would think he would fall under the definition. If there is any difficulty about that we can probably include regulations to clarify it for that purpose.

Mr. Renwick: Mr. Chairman, I am just talking because–

Hon. Mr. Meen: We did not use the landed immigrant status–

Mr. Renwick: –there are people in my riding who have been in Canada for a long, long time. They are not Canadian citizens because they have not made applications to become Canadian citizens; they are British subjects. They have not got around to going through the formality of taking out Canadian citizenship. They have not gone through the formality; and they were not required, as I understand it, to be landed as such at one particular point in time. It would be a shame if inadvertently we found that such persons, if they were to buy a home, would suddenly find themselves subjected to this particular 20 per cent tax.

Mr. R. F. Ruston (Essex-Kent): Would they be resident here for five years?

Mr. Chairman: Shall section 17 stand as part of the bill?

Hon. Mr. Meen: Yes, there's just one other observation I made earlier that I might clarify. I was in fact referring the Land Transfer Tax Act in the filing of those agreements with the ministry by May 15.

Mr. Renwick: I understand.

Hon. Mr. Meen: I used the reference to the Speculation Tax Act, I think, incorrectly.

Section 17 agreed to.

On section 18:

Mr. Chairman: On section 18, the hon. minister has a couple of amendments.

Hon. Mr. Meen: I have two amendments, Mr. Chairman.

Hon. Mr. Meen moves that clause (f) of subsection (2) of section 18 be amended by striking out "or to refund" in the third line and by inserting after section 2 in the fourth

line "or to refund such tax or any part thereof to."

Hon. Mr. Meen: That simply is a clarification of subclause (f) which was kind of hard to understand in its original wording.

Mr. Renwick: That's agreeable.

Hon. Mr. Meen: Well is that agreed?

Motion agreed to.

Hon. Mr. Meen: I have another amendment to section 18, Mr. Chairman, and perhaps I would ask one of the attendants to take copies of these to the member for Riverdale and the member for Kitchener, please. This is with respect to subclause (g) and the question of interest.

Hon. Mr. Meen moves that subsection (2) of section 18 of the bill be amended by relettering clause (g) as clause (h) and by inserting the following clause (g): "Providing for the payment of interest on a refund or rebate of tax authorized by this Act or the regulations and prescribing the rate of interest and the method by which it is to be calculated"

Hon. Mr. Meen: In this regard, I would thank the hon. member for Riverdale.

Motion agreed to.

Section 18, as amended, agreed to.

Mr. Chairman: Are there any further comments, questions or amendments on a later section of the bill? If not, shall the bill as amended be reported?

Mr. Renwick: No Mr. Chairman. Just before the bill is reported, will the minister ask his advisers to look carefully at that question to make certain that inadvertently we haven't picked up in the taxing net a large number of British subjects who have been resident in this country for a long time but at the time of their arrival were never required to go through a procedure of being lawfully admitted to Canada for the purpose of that definition, in the normal sense of becoming something called a "landed immigrant in Canada". If necessary would he then bring in an amendment or get a regulation published as quickly as possible under his power so that there will be no confusion about the matter?

Hon. Mr. Meen: Mr. Chairman, we haven't used the term "landed immigrant status" in the definition, as the hon. member will be aware, having instead taken the opposite approach to define a non-resident rather than a resident.

However, yes, we will take a look at it and if necessary have an appropriate regulation or amendment to the Act.

Bill 26, as amended, reported.

Hon. Mr. McKeough moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports one bill with certain amendments and asks leave to sit again.

Report agreed to.

Clerk of the House: The 17th order, House in committee of supply.

ESTIMATES, MINISTRY OF ENERGY

Hon. W. D. McKeough (Minister of Energy): Mr. Chairman, in presenting these estimates, I would point out that there are three votes—ministry administration, energy policy and the Ontario Energy Board. I think it's a little difficult to separate administration from policy, and I would suggest, sir, that you might take votes 1801 and 1802 together. I would further suggest that everything is probably fair game under votes 1801 and 1802—gas, oil, uranium, electricity, coal, conservation and relations or lack of relations with other governments. Perhaps some matters of substance that may be before the board could also be discussed under those votes but if we can confine the third vote to what has been before the board and the operation of the board, I think that might make sense.

Mr. Chairman: Does any member wish to speak before we go on to votes 1801 and 1802?

The hon. member for Huron.

Mr. J. Riddell (Huron): Mr. Chairman, I welcome the opportunity of making a few general comments on the estimates of the Ministry of Energy. My comments will be general of necessity because we are dealing with a new ministry. While we do have predicted expenditures for 1974-1975, we really have nothing to compare these expenditures to.

Mr. Chairman, not quite a year has elapsed since the Ministry of Energy was established by the government, and despite the fact that most members of the opposition felt there existed at that time an unwieldy and unnecessary number of ministries and secretariats, most concurred that there should be a separate ministry to deal with energy matters.

Approval was given—almost unanimously, I would say—for the formation of a Ministry of Energy. Circumstances at the time awakened us to the fact that energy could no longer be taken for granted. It became apparent that petroleum sources of energy could not last to infinity, and it became obvious that energy was no longer a cheap ingredient of man's way of life. And so it was necessary to establish policy and exert some control over the use of energy and its source if Canadians, and more particularly Ontarians, were to be assured a continued supply for industrial, private business, pleasure and home purposes. Thus the Ministry of Energy came into being.

As I recall the debates of the energy bill and related bills, it was generally surmised and concurred in by many that the member to be appointed to shoulder the responsibilities of this most important ministry would be the hon. member for Chatham-Kent (Mr. McKeough). I believe such concurrence was apparent, because the hon. member for Chatham-Kent had gained some experience in the cabinet before he allowed himself to get involved in a conflict of interest.

He was looked upon as a fairly knowledgeable person and, furthermore, he was deemed to be a powerful man in the Conservative caucus. When I was appointed critic of the Energy ministry, I was prepared to accept the alleged qualifications of the minister, but my own personal observations and experiences have led me to nothing more than disillusionment.

I have seen very little action on the part of the minister to take a stand in the current developments within the oil industry. He is not prepared to formulate policy. He does not appear to have the courage of his convictions. And he is not prepared to stand on his own two feet.

How many questions have been asked of him in the Legislature dealing with energy matters? And how many responsible answers has the minister given to such questions?

If the minister didn't have the federal government to lean on he would fall flat on his face, and in this prostrate position the oil companies would continue to tread right over top of him.

Mr. F. Laughren (Nickel Belt): Oh, that's right!

Mr. D. C. MacDonald (York South): Right. He goes to bed with the federal Liberals on the price issue every day.

Mr. Riddell: I would suggest, Mr. Chairman, that if the minister requires guidance, then he might be advised to look to the Nova Scotia government as an example of one which comprehends the meaning of initiative, courage and responsibility.

A question by my leader to the minister last Tuesday and the reply by the minister are ample evidence of the fact that this government is reluctant to make the oil companies accountable for their pricing mechanisms. To show how the minister treats this matter so lightly and inconsiderately and irresponsibly, I would like to repeat the exchange of questions and answers pertaining to this critical matter of inflationary prices, as recorded in Hansard from Tuesday's session.

The leader of the official Opposition (Mr. R. F. Nixon) asked the Minister of Energy if he was prepared to recommend to his colleagues, in view of the announced profits of Imperial Oil in the first quarter of 1974 of $92.7 million, twice last year's profits, that the powers of the Energy Board be expanded as was suggested by the members of the opposition when the energy board was established with new powers a year ago, to extend their controls over prices to domestic use of fuel.

The first reply of the minister was: "I don't specifically recall the suggestion made by the Leader of the Opposition". He went on to say, Mr. Speaker:

> **It occurs to me that great gathering in a telephone booth in Sudbury this weekend might recommend that to their federal party and they will do a little better job.**

Mr. Chairman, through you to the minister, when are you going to stop using the federal government as a crutch? When are you going to get serious and realize that higher fuel prices to industry can only result in higher food and other commodity prices to the consumer, which simply enlarges the vicious inflationary circle?

Would the minister not agree that the profit shown by Imperial Oil in the first quarter of this year is totally unacceptable? Would the minister not be inclined to think that the indication by Shell Oil that it will forego a 2½ cent additional increase in the price of

oil is an admission of guilt in itself, and that certainly it would appear in the light of this consideration that the people of Ontario are facing a ripoff that has probably never been so evident in the history of time.

Mr. MacDonald: They are stealing our language as well as our policies these days.

Mr. Riddell: Mr. Chairman, I feel compelled to continue the exchange of questions and answers pertaining to this matter of oil pricing as I simply cannot comprehend the attitude of insincerity and the complete lack of interest on the part of the minister.

Mr. Laughren: He would make a good Liberal.

Mr. Riddell: The Leader of the Opposition asked a supplementary question:

Since the minister supervises the energy board of the Province of Ontario which does have price control or price recommendation powers, why would he not assume that the same powers can be used at the provincial level the way they are, for example, in the government in the province of Nova Scotia?

The minister's answer, Mr. Chairman, was as follows:

Mr. Speaker, my reading of the Act does not indicate to me that those powers presently exist in the Energy Board Act.

Mr. Nixon went on to say: "Surely the minister would agree that an amendment would give those powers?" And the Minister of Energy's reply, Mr. Chairman: "I agree completely with the opposition that an amendment would give those powers."

Mr. MacDonald: Boy, that was brilliant. Very subtle.

Mr. Riddell: Then Mr. Lewis asked a supplementary:

Is the minister in fact reviewing, as has been reported, the possibility of imposing a price level in the Province of Ontario for costs for gasoline and home fuel oil charged by the major oil companies?

The Minister of Energy's reply:

I have been preoccupied lately and the ministry has been preoccupied, with the problems associated with wind energy. But when we get ourselves off that subject, we will turn to the subject which has been suggested by the leader of the New Democratic Party.

Mr. Lewis went on to say: "I am not going to be diverted too easily—"

Mr. J. E. Stokes (Thunder Bay): Have you been to Sherbrooke, Quebec? Have you been out to Sherbrooke yet?

Mr. Riddell: I continue:

Are all of the minister's speeches, while he trumpets around the countryside clobbering the oil companies, dealing in the direction of introducing legislation in the House which will give his ministry the right to set or roll back prices in the area of gasoline and home fuel oil as has been suggested in other jurisdictions; and which he has indicated publicly he is now interested in?

The Minister of Energy's reply: "These are matters which are under consideration."

And then another supplementary question was asked, Mr. Chairman:

Now that Shell Oil has indicated their willingness to forego the 2½ cent unnecessary increase for non-existent costs, can the minister indicate whether that is likely to be a pattern subscribed to by the other oil companies? Is he going to take any initiative to see that it is the pattern accepted?

The reply:

The matter of the Shell Oil increase or non-increase or the industry increase or non-increase is being dealt with, as the member is well aware, by the government of Canada through the ministry of the department of Energy, Mines and Resources, and through the National Energy Board; and that is a matter for their consideration. I congratulate Shell Oil for the position which they have taken that this increase is perhaps not necessary, in their view, at this moment in time. But whether the rest of the industry will follow suit, or whether the government of Canada will determine that an increase is necessary or not, is something for the government of Canada to decide at this moment. I would suggest that the member get on that pipeline, through his leader to the federal leader, and sort that little matter away.

The member for York South asked a further supplementary:

Mr. MacDonald: If perchance the federal government in Ottawa isn't persuaded to accept its responsibilities, will the minister accept his, in his constitutional jurisdiction, of control of retail prices in the Province of Ontario through the Ontario Energy Board to make certain that that unnecessary increase doesn't take place here?

The Minister of Energy's reply was:

My leader and this government have made it clear for over a year that when the government of Canada is prepared to come to grips with the problem of wage and price controls, then this government will co-operate to the fullest.

Mr. Minister, all I can say is: When are you going to take your responsibilities seriously? It is obvious by this exchange of questions and answers that you are making a joke out of this whole energy situation, which in my way of thinking is approaching that of being critical.

Is there any reason in your better judgement that the Energy Board shouldn't be given powers to review and recommend prices for oil to the Legislature, similar to the situation for hydro and natural gas? Is there any reason that the oil companies should not be accountable to the consumers through the Energy Board and the government for their pricing activities? It only

stands to reason that Ontario should have some say in the matter, for of the Canadian consumption of oil produced in Western Canada, Ontario accounts for about one-half.

Mr. Chairman, I read with interest the speeches that the Minister of Energy makes throughout Canada and I can only come to one conclusion. The minister's theory seems to be that when you are in Rome you do as the Romans do. When you are in Alberta you say what the Albertans like to hear. When you are in Ontario you say what the Ontarians like to hear. To escape alienation you either sit on the fence and do nothing or pass the buck in the hope that someone will bail you out. I guess this is what politics is all about if the Ontario government, and more particularly the Minister of Energy, is any example.

It's one thing to talk about a problem and to reprimand the oil companies for "charging whatever the market will bear;" but it is another thing to take action against these companies and legislate against such profiteering and rape of the public purse.

Nova Scotia took such action and rolled back prices. Where is Ontario's defence of its citizens? Where is this Minister of Energy who is so knowledgeable, so powerful, so responsible and so mindful of the needs of the people of Ontario? I submit we can no longer accept the procrastination of the Minister of Energy, particularly as it applies to the pricing of oil and other sources of energy. We on this side of the House feel that Ontario can and must take an active stand in assuring the people of Ontario a continued supply of energy at a reasonable price and free of environmental hazards.

The recent national oil price agreement, which saw a price rise of Western Canadian crude from $4 to $6.50 a barrel brought to light an important question in the energy policy field. This question concerns the role of Ontario in setting the price of oil and natural gas. Canada still has nothing like a comprehensive national energy policy that would provide for rational, complementary development of all fuel sources, that would design the most efficient pattern of consumption and that would assure a fair return to producers.

An hon. member: Does the member blame that on the Minister of Energy too?

Mr. Riddell: Overall the problem ought not to be, as has been the case, of Ontario simply accommodating itself to price decisions in Alberta or any other province. Rather I would argue strongly that Ontario has an important part to play in any price-setting scheme. Regarding the oil price agreement, our Premier (Mr. Davis) has said that he was "not unhappy" with the results, even though the new oil price will add $400 million to Ontario's energy bill.

Moreover, no explanation has been given by the government why a 62.5 per cent increase over the previous level was necessary or justified. Therefore, in such matters Ontario should act with the federal government, demanding the justification of any price increases.

Ontario must also take the responsibility to protect the consumer from oil company price increases. The present Ontario policy is inexcusable. But what, the government asks, can we do? The oil companies are national and multinational corporations. The Premier has said that prices established by national oil companies are matters to be dealt with by the federal government, and he flatly rejected the possibility of Ontario acting unilaterally.

I would argue, however, that Ontario ought to be able to police petroleum prices. One way in which this can be carried out is for the power of the Energy Board to be expanded to extend their controls over prices of fuel for domestic uses. On these matters there is no reason why Ontario should not follow the example set by the government of Nova Scotia.

Last December, the Nova Scotia government expanded the duties of its public utilities board to include the power to police wholesale prices of gasoline and fuel oil, to force the companies to justify increases, to hold public hearings and to roll back increases which, in the board's view, the companies had failed to justify.

Mr. Chairman, I am equally concerned about the nuclear expansion programme announced by Ontario Hydro. Moreover, I am concerned about the reluctance of Ontario Hydro to reveal to the public the potential dangers of nuclear power. Ontario Hydro has stated that Ontario will have to commit 20 million kw of nuclear generating capacity in the next 10 years to meet the expected demand for electrical energy. However, many uncertainties are associated with this form of energy.

According to the Canadian government's recent publication, "An Energy Policy for Canada," it assumed, ill-advisedly, that Canada will opt almost entirely for nuclear fission to supplement and replace hydro and

fossil fuels, since they are fully developed. It relegates unconventional energy sources, particularly solar energy, to a place of insignificance in government thinking. And while the decision has already been made to forge ahead with a huge programme of CANDU reactor construction, it has also made clear that a research programme for the long-term safe disposal of these wastes has only just begun.

The two major byproducts of a nuclear reactor are vast quantities of heat and large amounts of man-made radioactive materials. About 100 tons of various types of radioactive isotopes are manufactured each year within each reactor. While most of this waste is put into permanent storage, hopefully to be contained indefinitely therein – since some of the spent fuels take about a million years to decay to the relatively low radioactive levels of natural uranium – small but none the less significant quantities of radioactive products are released into the environment continuously during the operation of the reactor. As well, each reactor must dispose of over 100 cu yds of radioactive garbage each year, which is buried in disposal areas set aside for this purpose. But since the half-life of these fuels is so long, no satisfactory means of disposal has yet been found.

Therefore, I argue that much more needs to be known about the potential hazards of this source of energy and more research needs to be done on alternate sources of energy before the nuclear programme is accelerated.

There are possible several safer alternatives to nuclear energy for producing electricity, but ecologists and many scientists say they have been ignored. Some of these alternatives are solar power, tidal power, fusion, geothermal power.

It is my feeling that these alternatives are within our technological ingenuity and that any one of them could have been developed if roughly the equivalent resources that were brought to bear on developing nuclear energy had been applied.

Solar radiation is potentially the most abundant form of energy available to man, and it seems probable that practical schemes will eventually be devised to harness it in useful quantities in regions with sustained sunshine. Technology is already available for using solar energy to heat and cool residential and low-rise commercial buildings. Such systems approach economic feasibility. Heating water by solar energy is both economically and technically feasible. Additional research and development of systems and components, along with better insulation and construction methods, will make it possible to use this method as an alternative to a large portion of Canada's current and future total energy requirements.

Wind power should be considered for isolated small communities, since most already use some form of energy storage method and wind is available in practically all places in Canada.

Also there have been radically new concepts for wind-generating systems from Canadian scientists and it is hoped that this approach will be brought into operation in the Canadian north.

Through the discussions of these alternatives I would like to point to the fact that other forms of energy rather than nuclear fusion are within the limits of man's present technical knowledge. However, both federal and provincial governments in Canada currently appear to be particularly unresponsive to consideration of unconventional energy sources. All that is required is the decision of government agencies to provide the much-needed funds.

Besides the new alternatives which must be explored in the energy question, we must end our reckless waste of energy and stop the soaring growth in national consumption. The energy question is not just a matter of supply. The demand growth must slow down as well. Even if the country was not facing immediate fuel shortages, the case for slower energy growth would still be compelling.

Fortunately, much can be done to curb the country's appetite for energy by eliminating the large inefficiencies in energy use. Poorly insulated homes, for example, waste half their heat. Many office buildings are overlighted. Some air conditioners consume twice as much electricity as models with the same cooling capacity, and a ton of freight shipped by truck takes nearly six times the energy as one shipped by rail.

If we are to establish a long-term energy policy which will be consistent with a finite world, we must strive to regulate our demands on our resources rather than developing them wastefully at the fastest possible rate. There is no reason why Ontario's energy growth rate must accelerate by 4.6 per cent a year from 1970 to 1990. The government must recognize and appreciate the errors in our consumption pattern and must devise programmes which will encourage the conservation of energy and its more efficient use. The government must assume a more

responsible role and take steps to encourage energy conservation.

I am also greatly concerned with the use of prime agricultural lands for the establishment of Hydro plants, power corridors and pipelines. When one considers the rate at which Ontario's limited farming land is disappearing from agricultural use, the risk of any further losses brought about by Hydro lines being routed through areas specifically designated for future farming is a serious one. The province is losing 26 acres of prime agricultural land per hour to development.

Since there is a limited supply of class 1 and class 2 agricultural land in this province, and with demands being placed on these areas for non-agricultural uses such as residential and industrial development, recreational areas, etc. any intrusions on these lands for Hydro power lines and corridors should be minimal. Rather they should be located through low grade agricultural productive lands. Ontario Hydro, however, does not seem to take these ideas into consideration in energy construction projects. I would urge, therefore, that Ontario Hydro refrain from using prime farmland acreages when alternate classes of land are available and would serve the same purpose.

Mr. Chairman, to give you some idea of the concern of the people in my area regarding the proposed nuclear plant somewhere south of Goderich, I would like to read a short article that was sent by one of my constituents to the editor of one of the weekly papers. It reads:

Dear Editor:

April 8, 1974, the Ontario Bean Producers Marketing Board met in room 162, Queen's Park, Toronto, with representatives of government and Ontario Hydro. The purpose was to discuss the proposed power development in Huron county.

I stated in an earlier letter the reasons that the Ontario Bean Producers Marketing Board is opposing this development.

Present at this meeting, along with the OBPMB directors, was Agriculture and Food Minister Stewart, his assistant, Mr. Eaton, the Minister of the Environment and his deputy, along with two representatives of Ontario Hydro and including the Deputy Minister of Energy. This meeting was set up in a very short time at the direct insistence of the Ontario Bean Producers Marketing Board.

We are very concerned that the entire future of the white bean industry in Ontario is at stake. Air pollution of any type is detrimental to the growth of white beans. Power plants breed more industry which means more pollution.

The white and yellow eye bean crop is worth about in excess of $50 million to the farmers and industry in Ontario. About $23 million of that money is coming into Huron county. Yes, the white bean industry is a very large one.

I will point out some of the facts that were the result of yesterday's meeting.

The county official plan does not mean much. If Ontario Hydro wishes to build in Huron, they will, plan or no plan. The plant proposed for Huron will come on stream in 1984 or 1985. That is how close we are to seeing the development. Land acquisition will start in 1974 or 1975.

The area in which the plant will be built is about six to seven miles south of Bayfield.

Public opinion meetings will start immediately. We must prepare to fight against this development.

Ontario Hydro indicated that they have nine other sites on which to build, but they are not alternates to the Huron site. The long range plan calls for a complete range of power plants to be built around the perimeter of Ontario using the Great Lakes system for cooling. The Huron plant may be nuclear or fossil-fuelled.

Ontario Hydro indicated that the use of electric power is increasing at the rate of 7 per cent per year. They are prepared to take good agricultural land out of production, yet they are not concerned and do not even know the rate at which food consumption is increasing.

Just what is more important to the people of Ontario — adequate food at a reasonable price or excess electrical power?

Ontario Hydro indicated that if the Huron plant did not go, we still would have adequate power. I submit we must fight like hell to stop this complete disruption of agricultural land.

And, Mr. Chairman, I am still quoting from this article.

Furthermore, I wish to see the bean industry carry on in Huron. Each farm commodity group in Huron county has opposed this development and has indicated its feelings to the Huron county development committee. The warden has publicly stated that he is opposed to any such development.

So come on Huron county; let us fight this development and be prepared to fight like hell.

That's the end of the article.

Mr. B. Gilbertson (Algoma): Send the plant up our way.

Mr. Riddell: Mr. Minister, it can be seen just what the feelings of the people in my area are regarding this nuclear expansion.

Since they will license the land back to the farmer—

Interjections by hon. members.

Mr. Riddell: I will repeat that.

Mr. M. Gaunt (Huron-Bruce): Just with one little interjection, and the member for Algoma got a whole power plant.

Mr. Riddell: In addition, the manner in which Hydro deals with the farmers must be greatly improved.

Mr. J. F. Foulds (Port Arthur): The member for Algoma has destroyed his maple syrup industry.

Mr. Riddell: In methods of negotiation, Hydro merely offers the farmer a sum of money. If this is turned down, they are threatened with expropriation. Moreover, if a farmer is not happy with an expropriation plan or offer, the onus is on him for initiation of the defence action.

Often a farmer's land is adversely divided by some Hydro project. This division in turn has very serious effects on his operation. Hydro says there is no problem, since it will license the land back to the farmer for a nominal fee so that he can work between the towers. However, this is not the case since work will be greatly hampered by the presence of the Hydro poles.

Moreover, with such a lease by Hydro they would have access to the property at their pleasure without obligation for any crop damages which may be incurred. The farmer is also responsible for any damage done to Hydro towers as a result of his routine work with his tractor equipment. All these problems which the farmer must face point to the fact that Ontario Hydro lacks sufficient knowledge of agriculture matters.

In closing, my general comments Mr. Chairman, I would just like to state that on Feb. 14, 1974, the Premier announced the restructuring of public utilities in Ontario. The formation of a 12-member Ontario Hydro board means that the government is taking over the assets of a system which it does not own. Since the board includes only two representatives of the Ontario Municipal Electrical Association, it would indicate there is not a fair representation of municipalities.

The government's proposal for Hydro centralization should only be for the purpose of making a municipality stronger and more meaningful, and to transfer responsibility to the municipality. This fact, however, is questionable, since many local public utilities commissions fear restructuring. Most are now self-sufficient and not in need of contracting work to Ontario Hydro. Moreover, I am concerned that this centralization could lead to a less efficient dispersal of duties.

The Minister of Energy has indicated he feels the province's 350 existing municipal utilities commissions could well be reduced to 100 or even 50. His argument is that amalgamated units could maintain the system with less equipment and fewer staff members.

Mr. Chairman: The hon. member for Huron—

Mr. Riddell: I'm just finishing up, sir.

Mr. Chairman: Well it is 6 o'clock.

Mr. Riddell: However, when studies regarding restructuring take place the question of readily available service during times of adverse weather conditions must be of prime consideration. When a public utility commission is phased out or relocated, the fact that quick and efficient service to this area may be delayed for long periods of time must be kept in mind.

It being 6 o'clock, p.m., the House took recess.

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Legislature of Ontario Debates

No. 32



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Thursday, April 25, 1974

Evening Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, APRIL 25, 1974

The House resumed at 8 o'clock, p.m.

ESTIMATES, MINISTRY OF ENERGY
(*continued*)

Mr. Chairman: I believe when we rose at 6 p.m. the member for Huron still had the floor.

Mr. J. Riddell (Huron): Mr. Chairman, the member for York North (Mr. W. Hodgson), who occupied that chair before we adjourned at 6 o'clock, seemed to be most anxious to offer his usual contribution and now that we've recovened I see he's not here, but I was quite prepared to relinquish my time to listen to whatever words of wisdom he had to offer. I guess I'm not going to have that privilege, so I'm quite prepared to pass to those members who I think will have some words of wisdom for us. Thank you.

Mr. Chairman: The hon. member for York South.

Mr. D. C. MacDonald (York South): Mr. Chairman, I want to say most of what I have to say tonight to the minister. He is going to flee already, I notice. However, having listened to the leadoff speech by the Liberal Party before supper, I can't forebear one comment, and that is, it is positively breath-taking what enthusiasm the Liberal Party can muster for a new policy when somebody else has had the courage to initiate it elsewhere.

For years we have been arguing, in the New Democratic Party, about the role and the validity of a prices review board and the Liberals discarded it. They couldn't be persuaded of it. Recently, they've come to the point of verbal support for it. But once somebody else, particularly if he happened to be a Liberal down in Nova Scotia, has implemented a prices review board, at least in the oil field, it has now become the heart and core, the central piece of Liberal policy, overnight. I repeat, it is positively breath-taking.

Mr. F. Laughren (Nickel Belt): Typical, too.

Mr. M. Cassidy (Ottawa Centre): Always the Johnny-come-lately.

Mr. MacDonald: However, let's get back to the issues. The effort to grapple with problems related to energy, Mr. Chairman, has been bedevilled by policies that are uncertain, confused, in fact in many instances have been non-existent. That's been our basic problem in Canada as a whole, in the nation, and I suppose nobody has been more critical of that non-existent national policy than the Ontario Minister of Energy (Mr. McKeough) and his colleagues, as they direct their criticisms to Ottawa.

The situation there has been clarified somewhat, because under pressure of events that came in the first instance from the international scene and then focused on the conflicting interests within Canada between producing and consumer nations, we have worked through a series of two or three federal-provincial conferences to something approaching a national policy.

Here in Ontario we have an energetic Minister of Energy; if nothing else he's energetic. I don't buy the hon. member for Huron's dismissal of the hon. member for Chatham-Kent (Mr. McKeough). He is many things, but he is not as incompetent or foolish as the hon. member for Huron thinks at this point. The Liberals learn slowly.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): That is going to be the Liberal tactic anyway.

Mr. Cassidy: You may find the minister frenzied from time to time though.

Hon. Mr. Winkler: That will be the Liberal tactic from now on.

Mr. MacDonald: He speaks often and he speaks frankly. Quite frankly, his speech at the OMEA last night was a delightful piece of frankness; I've only got half way through it at this point but perhaps I'll have a chance to read it before we get around to it later in the estimates.

Mr. J. E. Stokes (Thunder Bay): I've heard the OMEA called a lot of things but not mischievous.

Mr. MacDonald: The problem with the minister is that his comments vary from day to day in tone if not in substance. The result, Mr. Chairman, is that we've had in the Province of Ontario something approaching the problem at the federal level—a policy that is uncertain, is confused and in some instances is nonexistent. It's really rather ironic that this minister, who has fired more volleys in the direction of those awful Liberals up in Ottawa, should be guilty of essentially the same thing down here but for somewhat different reasons. I want to analyse the reasons. In fact, I want to try to illustrate the point by taking a look at two sorts of basic problems in the energy field by way of an overview in these lead-off remarks.

The first one, of course, is in reference to the whole question of pricing, and related to pricing inevitably is the question of the supply of energy.

Let me begin with a quotation from one of the endless series of speeches the minister gives, this time from as far away as Calgary.

Mr. Laughren: Who writes them?

Mr. MacDonald: I don't know who wrote this one. As a matter of fact, to be very frank with you, I don't know who does the original draft but there usually is a McKeoughian touch to them by the time they are delivered. It's either in the words or in the delivery but there is a McKeoughian touch in there.

I quote one paragraph from the speech delivered in Calgary a short time ago, to be exact, on April 16. He had been talking about the compromise in price which was achieved at the recent first ministers' conference in Ottawa and he said:

> I should add, however, that there is, I perceive, a definite backlash in Ontario at what I thought was a reasonable compromise, stronger than I would have expected. The backlash, I suspect, arose from the two or three cent issue rather than the eight cents implicit in the $6.50 agreement. The oil companies have a capacity greater than anyone else for inflicted wounding.

Hon. Mr. McKeough: Self-inflicted.

Mr. MacDonald: Self-inflicted? Well, you had better speak to your typewriter or the person who operates the typewriter.

Hon. Mr. McKeough: Self-inflicted wounding.

Mr. MacDonald: Self-inflicted wounding? Good. I accept the correction; it was your speech. But here it says—

Hon. Mr. McKeough: That happens to be my phrase, too.

Mr. MacDonald: As a matter of fact, on occasion it's a very appropriate phrase. However, the text says . . . "inflicted wounding".

Interjection by an hon. member.

Hon. Mr. Winkler: You can't believe everything you read.

Mr. MacDonald: Particularly when it is wrong to begin with.

Mr. R. D. Kennedy (Peel South): He had to get your attention. That is not easy.

An hon. member: The trouble is they don't know what they are talking about.

Mr. MacDonald: I will attempt to pick up on the mangled speech.

> That is their problem except the $6.50 agreement has been attacked. As a result, more than a few people in this country, including me, are impressed with the Nova Scotia legislation which recently ordered a rollback.

Mr. F. Young (Yorkview): Including him.

Mr. MacDonald: I repeat, in case you didn't get it, speaking was the minister in Calgary.

Mr. E. W. Martel (Sudbury East): Yes, from both sides of his mouth.

Mr. MacDonald: I repeat:

—more than a few people in this country, including me—

Mr. Young: That is McKeough.

Mr. MacDonald: To continue:

—are impressed with the Nova Scotia legislation which recently ordered a rollback.

> That Imperial Oil official by now no doubt has concluded that his remark "We charge whatever the market will bear" represents a philosophy which is just no longer acceptable.

You know that, coming from the Tories, is really a lulu. This is the red Tory touch coming in here.

Hon. Mr. McKeough: After all these years I have been listening to you and you didn't—

Mr. MacDonald: Again, you are a slow learner but at least you are catching on.

Interjection by an hon. member.

An hon. member: He's even got a partially red tie on tonight.

Mr. MacDonald: I pick up on the quotation:

> Again, that is the industry's—

Hon. Mr. McKeough: I heard your story about McLean so often, sooner or later it sank in.

Mr. MacDonald: To quote:

> Again, that is the industry's problem that the spillover effect of public opinion calling for and demanding government action, can only be ignored by government at the politician's peril.

That is really the most fascinating paragraph. Implicit in it is a programme of action.

Mr. Laughren: Did the minister write that?

Mr. MacDonald: Why in heaven's name the minister has been sitting on, what is quoted in another of his speeches as his "bleep," when he has implicit in that a programme of action is the thing that mystifies me.

Let's take a look for a moment at some of the implications. He talks, for example, rather cavalierly of eight cents as being what is justified to the oil companies on the basis of the increase from $4 to $6.50 for a barrel of crude oil. When the Premier (Mr. Davis) was discussing this a couple of weeks ago, he said the only price that the oil companies were entitled to on the basis of that increase was seven cents, and the minister rather cavalierly says eight. The difference between seven and eight cents is $44.8 million to the consumers of Ontario.

An hon. member: The minister knows that.

Mr. MacDonald: For every cent increase in gasoline it is $5.60 per capita. For an eight million population it is about $44.8 million. So why talk rather cavalierly of seven or eight cents?

I just want to raise this question, Mr. Chairman. If the oil companies were making profits on the $4 price for crude oil, which represents in the instance of Imperial Oil almost a 100 per cent increase in 1973 over 1972, what justification is there really, other than an acceptance of their self-serving statistics, for granting them the full seven cents the Premier mentioned, or the eight cents the Minister of Energy rather cavalierly throws off?

I suggest to you, Mr. Chairman, that that is one of the reasons why we've got to have an energy review board in this province—a board which is granted powers—yes, Mr. Minister, you are so prescient—by means of an amendment to the Energy Act, which gives them those powers, hopefully, to roll back prices, as they've got down in Nova Scotia, something that apparently is momentarily at least impressing the minister. The reason why we've got to have that is so that we can take a look at whether or not even the seven or eight cents for the increase in crude is a justified price that can be passed on to the people of the Province of Ontario.

That's bad enough, but when we are told—and I accept this for the moment until I've any other evidence to justify it or to controvert it—that in addition to the non-crude increases in costs the oil companies might be justified in having a half a cent a gallon increase, taking it up to say 7½ cents—or about it going to 10 cents, which is another 2½ cents, a rip-off of approximately $112 million or $113 million, then we have further evidence there of why we must have a prices review board and an energy board with powers to get that justification and, if they don't get it, to force a roll back in prices.

This is obviously the core of the problem at the present time in the Province of Ontario. I'm glad we've got the minister in the House and he has got more than just an opportunity to reply flippantly to a question, or, let me put it perhaps more accurately, facilely to reply to a question or to avoid replying to a question. Tonight we are going to have an opportunity to ask questions until we get the answers to some of these questions.

The point I want to make with this minister, which he has consistently avoided all down through the recent months, is that the proposition of review of prices in the Province of Ontario rests with this province for any commodity that is sold, whether it is sold by a multinational corporation or whether it is sold by a company that is confined to Ontario alone. Don't for heaven's sake, continue to slough it off on Ottawa saying that it is Ottawa's responsibility.

The minister is knowledgeable enough to know that under the BNA Act this power flows from property and civil rights. It is a provincial responsibility and it is a provin-

cial obligation. In addition to it, if you had any doubts, it has gone to the courts as far back in 1940 in the case of Home Oil distributors versus the Attorney General of the Province of British Columbia, in which it was clearly indicated that the Province of British Columbia had jurisdiction over wholesale and resale prices within the Province of British Columbia and by implication on other commodities too. So this is your responsibility.

In fact, about a month or so ago, or maybe two months now, since time flies, a very interesting thing happened in the Province of Ontario. The papers down in the eastern part of Ontario, which happen to serve those 600,000 Ontarians who live east of the Borden line, east of the so-called Ottawa Valley line, and therefore in the area, prior to the equalization of prices, of high-priced fuel costs in eastern Canada, discovered that the oil companies were getting some of their fuel oil from the Toronto markets. Coming from the lower prices of western Canada, they were trucking it down over the Borden line and as soon as they got it over the Borden line, they were selling it at the higher eastern prices—clear-cut, flagrant gouging.

It was an implementation of the principles so clearly enunciated by the spokesman for Imperial Oil, namely that they were gouging the market for all that they could get. But when this was smoked out and some of the media got to the minister here in the Province of Ontario, he had two comments: One, he hadn't heard of the situation—maybe that was to the first person who got to him; and secondly, that this was Ottawa's responsibility.

It isn't Ottawa's responsibility. It is this government's responsibility to put it under whatever agency this government wants to exercise that responsibility. If the oil companies were getting the cheaper product from the west and taking it over the Borden line to the east and were overcharging those citizens, then it was a government responsibility, if you had the powers under the Ontario Energy Board, to have brought them before the board and to ask for justification for it and to make them roll back the price and indeed, to reimburse the consumers.

This was the kind of thing that has been done voluntarily, if you can believe it, by the Irving Oil Co. at one stage earlier this year down in Nova Scotia. Now it is done mandatorily by way of a judgement of the Board of Commissioners of Public Utilities in that province.

The thing that intrigues me by way of the inconsistencies of this minister is that if you read his speeches throughout the last few months he has some very apt, some rather accurate, some rather harsh criticisms of the operation of the international oil cartel in the Middle East. It's operating in the classic monopolist fashion. They have exploited and, indeed, assisted in creating a shortage prior to the outbreak of the war there so that they could use that shortage for boosting prices that would eventually end up in higher profits for themselves.

But does this minister above anybody else have any illusions for one split second that the oil companies of Canada, which are subsidiaries of the companies that make up the cartel in the Middle East, are operating on any different basis here in Canada? Do you think their philosophy is any different at all?

If you had any doubts about it, all you had to do was to read the frank testimony of theirs before the hearings in Nova Scotia. There they spoke in the most amusing terms about the mystique of pricing—there was a great mystique in pricing. There is no mystique about it. They spelled it out. They gouged the market for everything they could get. It had nothing to do with the cost of production. Indeed, Mr. Bell, who was the spokesman for Imperial Oil, went one step further. He said that in principle they felt they were obligated to raise the price if the market permitted them to gouge it and to cream off some more. In short, their principles are the obvious reverse of the principles which were enunciated by the minister in his statement when he was speaking to his Calgary audience.

Where does this minister stand on all of these issues? He talks one way but he doesn't act in conformity with his words. Where does he stand? He speaks in tough terms but there is no follow-through.

I have two or three clippings here, Mr. Chairman, which are really fascinating. I won't bother to read the clippings in total, but just let me read the headlines. Listen to this for a mish-mash all coming from the same spokesman.

Here's one headline from the Toronto Star on Feb. 28, 1973, which says: "Oil Companies Take Advantage of Foreign Hikes," the minister says. Here we are Aug. 25, 1973: "McKeough Claims Oil Firms Can't Justify Price Increases." And then we get to the Toronto Star on Sept. 8: "Ontario Can't Halt Price Increases By Gas Companies: McKeough."

You see, there is such confusion. He is blaming the oil companies: he claims they

can't justify their price increases; and then poor Darcy, he is so helpless—"We can't do anything about it." Maybe that was four or five months ago; maybe he is impressed with what can be done about it by the exercise of the legitimate provincial powers of the board in Nova Scotia, as indeed they are being exercised out in British Columbia and Saskatchewan.

I suggest to the minister that it's time for this doubletalk to end. It's time for the government to move in terms of establishing an appropriate body that can protect the people of this province against increases which, on May 15 if the seven-cent increase goes into effect, will mean $313 million more to the people of this province in terms of consumer costs. And if an extra 2½ cents goes on that is unjustified, they will be paying another $113 million. So there will be between $400 million and $500 million. Every one of those one cents that are thrown around with such abandon by the minister and the Premier, I repeat, represents $44.8 million. And if this government is not going to protect the consumers from this gouging by the oil companies, nobody will do it. The government is the only one with the power to do it.

Mr. Cassidy: That's as much as the sales tax cuts.

Mr. MacDonald: Right. One cent on gasoline is the equivalent of the whole sales tax cuts that the provincial Treasurer (Mr. White) was so proud of.

Let me move to the second area that I want to illustrate by way of overview in leading into these estimates. For calculated confusion, quite frankly, Mr. Chairman, we've never had anything to match it in the Province of Ontario – nothing that comes within reaching distance of it. I'm referring to this government's handling of the whole proposition of the southern pipeline for taking oil from Sarnia to Montreal.

The interesting thing is that when Ottawa announced late last fall that the pipeline was going to be built from Sarnia to Toronto and on to Montreal, it was done so after consultation and with the approval of the Minister of Energy in the Province of Ontario. I notice he doesn't dispute that point. I wondered whether he might. But it was done with the consultation and approval of the minister in the Province of Ontario.

Then the whole cabinet flew apart. The Minister of Agriculture and Food (Mr. Stewart) immediately became the champion of the farmers, and we were going to have some devastating consequences as a result of the building of the pipeline through the prime agricultural land from Sarnia to Burlington, looping around Toronto and on towards Montreal. And we all know that when the Minister of Agriculture and Food gets up on his little political podium in defence of the farmers, so often he really isn't defending the farmers that he welcomes an excuse to appear to be a great defender of the farmers.

Mr. B. Gilbertson (Algoma): He is a champion of the farmers.

Mr. MacDonald: He is quite a militant and agressive fellow. However, he didn't stand alone for long, because the provincial Treasurer, with the odd tax measure, is attempting to bolster the waning cause of the Tory party out in rural Ontario. He too joined in, and said that this was a gross violation of the rights of farmers and would involve the destruction of precious prime agricultural land. Not to be outdone, the Minister of Natural Resources (Mr. Bernier) had a bit of pleading to do on behalf of northern Ontario, where he wanted the line to go through, so he got into it.

We had three ministers arguing against a pipeline route that had been accepted and agreed to – informally if not formally – by the minister in the Province of Ontario. But that was only the beginning.

Some of the media people got to the man who presumably runs the show, the Premier of the province, and he confessed that the cabinet had never discussed the issue; it had never come before cabinet.

Then they went to the man who then was the provincial secretary in charge of resources, the hon. member for Carleton East (Mr. Lawrence), and they asked him. He said that he was only now studying the matter, it had been referred to him for study. There had been informal endorsation of the route, he was studying it, and when it got to the cabinet finally, as a result of his study, there would be a statement.

Finally we got that statement, and it was read by the new provincial secretary (Mr. Grossman). It is almost as fascinating a document as some of the speeches of the Minister of Energy when he's out in Calgary or before the OMEA.

In the first place, he defends the championing of the farmers' interest by the various cabinet ministers. In effect, he says that they were valiant souls, doing the right thing. But then he goes on to say, in pretty emphatic

terms, that the pipeline will be built in the south.

They now finally have gotten information —presumably they were sounding off before without the adequate information—and having gotten the information, now everybody was in agreement.

Indeed, one of the press boys went to the Minister of Agriculture and Food afterwards and said: "How come? You were such a vigorous opponent of this a couple of weeks ago and championing the farmers." And his reply, at least in one broadcast that I heard, was to the effect that he didn't have all the facts then. Now that he had the facts, he was accepting it.

Well, you know, that's the kind of champion I thought he was sometimes on behalf of the farmers.

Mr. Gilbertson: He is a champion of the farmers.

Mr. MacDonald: He champions them without the facts until he gets the facts and then he ceases to champion them. That's the kind of situation we have had. But the minister goes on further. Just let me quote one or two bits of it here:

> The most optimistic estimate of the federal government indicates that a northern route cannot be in operation before two years—

Mr. Chairman, I draw to your attention that the minister in giving the statement to this government is very careful to pin all of the responsibility on Ottawa, so that a year or so from now if this situation blows up in everybody's face, they can then join the crowd in blaming Ottawa; though for the moment they have accepted the decision and they are fighting it no longer. I quote:

> The most optimistic estimate of the federal government indicates that a northern route cannot be in operation before two years, and therefore no crude oil could flow through the line to Montreal before 1976 and the 1977 heating season. On the other hand—

You see, we have got to keep everything covered here and our minister can really keep both flanks covered at the same time, better than anybody I know He says:

> On the other hand, we have been led to believe by the government of Canada [Keep it pinned on them, boy] that if the southern route is undertaken, crude oil will be flowing to the east by 1975-1976 season.

He tabled a fact sheet to indicate why this will happen—

Hon. A. Grossman (Provincial Secretary for Resources Development): I think that was pretty good stuff.

Mr. MacDonald: And then as a sort of finale of this bit of supreme political rationalization, he says:

> I might add here that we would support the federal government in its ultimate national goal of an all-Canadian pipeline.

Well, you know, Mr. Chairman, this is really the most incredible piece of doubletalk on political rationalization. If the little bit of extra money—relatively little bit of extra money in terms of the building of this nation and what we have put into railways and pipelines and everything else in the past—that it is going to cost—

Hon. Mr. Grossman: Like $100 million.

Mr. MacDonald: Right, like $100 million. Okay, if the hon. minister knows anything about Canada, we have spent billions of dollars in this country that we wouldn't need to have spent if we just wanted to join the United States.

We built our railways. We built our pipelines and we have built everything because we came to the conclusion we wanted a nation on the northern half of this continent which had unity in itself and wasn't an appendage that was going to be sucked into the American vortex. And in that context, $100 million is a small drop in the bucket of what we have spent in the past and which we will be willing to spend in the future.

However, if the argument is—

Hon. Mr. McKeough: Which side is the member on, as a matter of interest?

Mr. MacDonald: Just wait and I will tell the minister which side I am on. Just wait and I will tell him which side I am on.

Hon. Mr. McKeough: I am listening. He has never expressed an opinion yet.

Mr. Martel: The minister expresses his opinion out of this building. He never says anything here.

Mr. Stokes: When he doesn't understand, the minister always pleads deafness, doesn't he?

Mr. Martel: Or when he doesn't want to hear.

Mr. MacDonald: Well, there has been an interruption—

Hon. Mr. McKeough: I am still waiting.

Mr. MacDonald: Is he still waiting? Okay. I will tell him what should be done.

There may have been some justification because of the lack of planning to consider the proposition of a line in southern Ontario at an earlier stage in the game, but now that we have the urgency off, now that the situation in the Middle East has resolved to a point, I suggest to the minister—and don't laugh, because he wanted to know in a definite statement—I suggest that what the minister should do is go before the Energy Board and oppose the proposition of a southern line in the Province of Ontario. Instead, he should promote the proposition, not of a line in the mid-north—that isn't a Canadian line, because it taps off American soil through the Soo and the middle part of the province—but a line that will be on all-Canadian soil so that it would be an all-Canadian line with the security that, quite frankly, we are entitled to on the basis of the experience of the past year or two.

Now, if you want to know where we stand, that is where we stand. And, quite frankly, I think it is now a fully justified proposition. If we can get at it with vigour and build a line in northern Ontario in a year or so more, and have a line in all-Canadian soil that we control, then in the long sweep of Canadian history that is an infinitely better decision to make than the kind of decision into which we are letting events push us as far as the southern Ontario route is concerned.

The minister tried to have it both ways when he was speaking on behalf of the cabinet. He went on, after he had enunciated what they were going to do, and covered himself on both flanks, front and fore and everything else.

Hon. Mr. McKeough: Like the hon. member is trying to do.

Mr. MacDonald: What does the minister mean? I am not trying. I have told the minister bluntly what should be done.

Mr. Stokes: Unequivocally.

Mr. MacDonald: Unequivocally. Right.

Interjections by hon. members.

Mr. MacDonald: After he had finished enunciating where they had stood, he was a little apprehensive that maybe they hadn't appeased the farmers. So he finishes with a whole page that rehashes the whole thing.

Hon. Mr. McKeough: That's' no concern of the hon. member. That is really not a concern of the hon. member. Because they won't vote for his party.

Mr. MacDonald: Well, at the moment we are the only people who are fighting for them on this issue.

Hon. Mr. McKeough: That's why the NDP has so many rural members.

Mr. MacDonald: The leader of the Liberal Party (Mr. R. F. Nixon) has accepted it. The leader of the Liberal Party says it is a wholly defensible proposition and is no particular disruption. We are the only people who have been fighting it, with the leader of this party (Mr. Lewis) meeting farmers down north of London from the very outset of this battle.

Hon. Mr. McKeough: And they are impressed too. He's the new Messiah.

Mr. MacDonald: The Tories are running like mad to keep the fences mended, because there are a lot of loopholes in it this time.

Mr. Cassidy: What does the Treasurer think of destroying good agricultural land?

Hon. Mr. McKeough: How many rural members are there in the NDP? Not one. Don't lecture to us about farmers. The hon. member always descends to lecturing sooner or later. He shouldn't lecture.

Mr. M. Shulman (High Park): High Park is half rural.

Mr. MacDonald: May I say to the minister that he may be attempting to distract me, but I have no intention of being distracted.

Interjections by hon. members.

Hon. Mr. McKeough: No, I just don't want the hon. member to become pedantic.

When he starts to lecture to us about rural members and farmers, it gets just a little much. The hon. member was doing beautifully up until now.

Mr. MacDonald: Was I?

Hon. Mr. McKeough: Really. Just beautifully. It was beginning to hurt, but when the hon. member starts about rural Ontario—

Interjections by hon. members.

Mr. MacDonald: Mr. Chairman, I want to pick up with my line of thought which has been interrupted but I have just one question for the minister—

Mr. Chairman: Let's hear the member for York South.

Mr. MacDonald: If I have done beautifully, have I persuaded the minister to amend the Energy Act and give the Ontario Energy Board the powers to review and roll back prices? Did I do beautifully enough for that?

Hon. Mr. McKeough: If the member is asking for a reply, I may say he is much more convincing on that subject than when he talks about something which he does not represent and which he knows nothing about, which is rural Ontario, because the hon. member is completely off-base on that score.

Mr. MacDonald: My question to the minister wasn't a rehash of what he said before about my relationship to rural Ontario. My question to him was, "Have I persuaded him, in my beautifully doing up until now, that the Ontario Energy Board should have the powers to review prices and to roll them back?" Maybe he can reflect on that, because that is going to be a pretty dramatic change of policy; undoubtedly he will be replying and he can deal with it at that point.

However, I want to get back to my line of thought, notwithstanding the taunting of the Minister of Energy.

After they had enunciated that the line was going to be built in the south, they had to turn around and bow once again in the direction of the farmers.

> This doesn't mean [says the Provincial Secretary of Resources Development] that we have abandoned the concerns which prompted us to question the southern route in the first place. We are concerned with environmental impact in general and particularly with the disruption of food-producing lands in southern Ontario.
>
> We realize the southern route will cause very much more greater inconvenience and dislocation to citizens and to personal property than the northern route.
>
> Our greatest concern is the potential loss of agricultural production along rights of way. We recognize that the pipeline from Sarnia to Port Credit, with the exception of some 10 miles, will be built on existing rights of way.
>
> Regardless of whether we are speaking of an existing pipeline right of way or a right of way to be used in eastern Ontario, we don't accept the proposition that this will be accomplished without disruption to the adjacent property.

And he goes on and on.

Hon. Mr. Grossman: Spoken by a true spokesman for the farmer.

Mr. MacDonald: Yes, sir, The leading hog producer of the province.

Hon. Mr. Grossman: The hon. member doesn't have to hit below the belt.

Interjections by hon. members.

Mr. MacDonald: He has been disowning pork production for so many years in this House that I am sure he has got a secret farm up in the Caledon Hills, raising hogs.

Interjection by an hon. member.

Mr. MacDonald: The point here, Mr. Chairman, is that he then goes on to enunciate in the most vigorous terms all the reasons why there shouldn't be a southern pipeline—the disruption, the impaction of the soil, the loss of prime farmland and so on and on. But he started by saying the line was going to be in the south and he ended by saying the line is going to be in the south, so there is the champion of the farmers.

I say to the minister once again it shouldn't be in the south. There is justification in the new set of circumstances, now that we have gained breathing time and aren't a victim of events, to build that line where it should be built—as an all-Canadian line throughout northern Ontario. Then we would have control of it and have the security of it, and wouldn't have the kind of uncertainty that has characterized our whole fuel supply in the last six or eight months of crisis in this nation.

I would just like to see the minister speak up along this line when he gets to his intervention before the National Energy Board.

I turn, Mr. Chairman, to a third and final area on which I would like to touch briefly by way of overview on policy, and that is the inexorable drive of this government toward reprivatization, particularly in reference to Hydro.

The minister is infatuated with this whole concept of reprivatization. There was a wonderful story in the Globe and Mail a couple of years ago by one of the boys who followed him down to his—what is his private school down in St. Catharines?

An hon. member: Ridley.

Mr. MacDonald: Ridley, yes, down to Ridley.

Mr. Cassidy: What? He is not a Ridley boy?

Mr. MacDonald: Yes, he is a Ridley boy and he—it was almost like Saul on the road to Damascus. The light suddenly burst as he revisited the school.

He was preening the old school tie and he discovered that whereas before they used to have staff people who cleaned the floor and cooks who did the cooking and things of this nature, now they have reprivatized the whole process, and allegedly it was being done more cheaply. His infatuation with the thing was quite clear. It was part of his Tory philosophy, untouched by any streak of red Toryism at all—real, unmitigated, unrelieved Toryism.

Unfortunately this process has emerged now with regard to the whole proposition of Hydro. I repeat, I haven't had a chance to read the minister's whole speech to the OMEA last night. I agree with and I don't object to the restructuring of Hydro, as for example the great objections you had from the Liberal Party. What I do object to is the proposition of this minister kidding the people of the Province of Ontario that we can continue to have power at cost in any old sense, or any new sense, if you are going to reprivatize and hand back to the private sector great amounts of the normal operations of Hydro.

That is what this minister is hell-bent on; that's his course at the present time. When the report of the "Make or Buy" task force for Hydro came out last fall it was immediately seized upon by the minister and his comment was that he looked with favour on it.

I suggest to you, Mr. Chairman, that that report is a blueprint for the destruction—

Hon. Mr. McKeough: What was your reaction? You were immediately against it, without even reading it. You are a socialist, I am a Tory. Face up to the fact; you are against it. Be honest about it, you be honest about it.

Mr. MacDonald: Are you finished?

Hon. Mr. McKeough: No, I am not. Be honest.

Mr. S. Lewis (Scarborough West): What do you mean, be honest about it?

Mr. MacDonald: Be honest?

Hon. Mr. McKeough: Admit you are a socialist.

Mr. MacDonald: Of course I am a socialist.

Hon. Mr. McKeough: Good for you.

Mr. MacDonald: The trouble with the minister is one day he talks like a Tory and the next day, when the pressure is on him, he too even talks like a Waffling socialist.

Mr. Cassidy: That's right. Why don't you tell Ontario Hydro that you believe in reprivatization?

Mr. MacDonald: I will tell you what I did, Mr. Minister—

Hon. Mr. McKeough: You wouldn't have said that a year ago when you got rid of them. You wouldn't have used that word; you wouldn't have dared. You have come a long way. You talk about the Waffle now with impunity. You have really come a long way.

Mr. Stokes: How about a Waffling Tory?

Mr. Lewis: As a matter of fact we have come a long way.

Mr. MacDonald: As I once said in a comment about the Minister of Energy, he is the leading Waffler in the Tory ranks, and that he is. You don't know exactly where his thrust and what his tune is going to be tomorrow, because he is playing both ends. I give him credit that at least on occasion his eyes get open and he faces some of the reality of the modern world and he sheds momentarily some of his doctrinaire Tory philosophy.

Mr. Lewis: Momentarily.

Mr. MacDonald: He is capable of getting a glimpse of the light of the future and what really makes this world tick, but then he is grasped and dragged back into the morass of Tory philosophy.

Mr. Cassidy: He was the Jim Laxer of the Tory party.

Mr. MacDonald: Yes, something of that nature.

Hon. Mr. McKeough: And I remember when he was big over there. That is a very interesting comment.

Mr. Martel: You used to be big over there too, Darcy. You had a little downfall too.

Hon. Mr. McKeough: Waffling socialists. They have never joked about it before. That's really quite intersting.

Mr. Lewis: That shows how far we have come.

Mr. MacDonald: As a matter of fact now that this is raised about the minister's downfall, I want to drag it right out onto the floor, and this will really maybe get him into a state of high rage, because on the two or three occasions on which I have mentioned it, he has been quite touchy and thought it was below the belt; but I thought you were the one minister who understood the principle of conflict of interest, the one minister who knew something about it.

Hon. Mr. McKeough: We are not in the Sunoco building, which is cheap, and that is what did you in and that is what is going to do your party in. Just cheap, just cheap.

Mr. Lewis: Relax, relax.

Mr. MacDonald: I'll tell you, Mr. Minister, you have now led to some disillusionment in the one area in which I was unhesitatingly your champion, and that is—

Hon. Mr. McKeough: Your cheapness gets me down. You are right, it breaks me down.

Mr. MacDonald: —that you are the last man who should have failed to recognize that the Minister of Energy doesn't put his offices on the top of the Sunoco building.

Mr. Lewis: That is right, that is right.

Mr. MacDonald: And if you didn't then—

Hon. Mr. McKeough: Who owns it?

Mr. MacDonald: —you are even more of an unredeemed Tory than I thought.

Hon. Mr. McKeough: Can I ask the hon. member a question?

Mr. MacDonald: Sure.

Hon. Mr. McKeough: Do you have any idea who owns the Sunoco building?

Mr. MacDonald: I don't care who owns it.

Hon. Mr. McKeough: Do you have any who the Minister of Energy rents this space from? The Minister of Government Services (Mr. Snow). Do you know that the Sunoco people do not own that building? You don't care. You go on taking your cheap little two-bit shots and that is what brought down your leadership of the New Democratic Party. Just cheap.

Interjections by hon. members.

Mr. Lewis: How dare they name a building they don't own?

Mr. E. Sargent (Grey-Bruce): Who does own the building, then?

Hon. Mr. McKeough: Just cheap.

Mr. Shulman: Who does own the building?

Mr. Lewis: Who does own the building?

Mr. T. P. Reid (Rainy River): Imperial Oil.

Mr. MacDonald: Yes, who does own the building?

Hon. Mr. McKeough: I don't know. I understand it is—

Mr. MacDonald: You mean you are speaking out without the facts?

Hon. Mr. McKeough: —not the Sun Oil Co. As I understand it, it was originally Yolles and Rotenberg and it was sold to German money. We rent it from Government Services. I would think that instead of taking your cheap little two-bit shots you might find that out.

Mr. MacDonald: Is that right? You know something? You don't know—

Hon. Mr. McKeough: You know who else is in the building? The Provincial Auditor, the Ministry of Housing and about 10 other government ministries.

Mr. MacDonald: That's right, that's right.

Hon. Mr. McKeough: But you are so cheap and stupid you pick on a stupid little thing like that.

Mr. MacDonald: Is that right?

Interjections by hon. members.

Mr. MacDonald: I knew I'd get to them. Well I repeat, and I don't back off one centimetre, that the one man in this cabinet who recognizes that the Minister of Energy doesn't put his offices in the Sunoco building is Darcy McKeough. Quite frankly I say it more in sadness than in anger, I am sorry that you didn't recognize it, because you obviously didn't learn the lesson of a year or so ago.

Interjections by hon. members.

Hon. Mr. McKeough: Let me just say this to the hon. member—

Mr. Lewis: He was right. He will aggravate you.

Hon. Mr. McKeough: Let me just say this to the member, that the reason I resigned and the reason that I stand in this House today and the reason that I do the things that I do today is because I am satisfied in my own mind that I am doing the right thing and not because of any criticism in cheap shots from cheap people like you.

Mr. MacDonald: You were right a year or so ago and you are wrong now. However, this is a digression.

Mr. Shulman: Stay cool over there. Don't get excited.

Mr. MacDonald: However, we will get back to some more of these rather interesting conflicts in terms of personnel in your ministry and in some of the oil companies. I want to get back to this contention of the minister's that I sounded off rather quickly without having read the report. Ill inform him, and he can believe it if he wishes, that when the report came out, "Make or Buy"—

Hon. Mr. McKeough: You were against it. You are against the title "Make or Buy." That just upset you. Admit you are a socialist and save us time.

Interjections by hon. members.

Mr. Martel: We are back to that again. We are back to square one, Mr. Minister, and you are going to tell us in a minute that you are a Tory I'll bet you.

Mr. Stokes: Never mind, the OMEA loves you.

Mr. MacDonald: You had better put your chains on and get out of that mudhole over there because you get back to it; it seems to be the only thing that you can do.

Hon. Mr. McKeough: You are in the mudhole.

Mr. MacDonald: I read the report, "Make or Buy," and having read it some of my worst fears were confirmed.

Hon. Mr. McKeough: I bet they were.

Mr. MacDonald: Right. And I said then what I shall repeat now as a jump-off—

Hon. Mr. McKeough: A what?

Mr. MacDonald: —a jump-off with regard to the whole thrust of the government with regard to this.

Hon. Mr. McKeough: That's a new word.

Mr. MacDonald: It's a blueprint for the destruction of Hydro as we have known it, because when fully implemented Hydro will be a public utility in little more than name only.

Mr. Sargent: Right.

Mr. MacDonald: Increasingly, its design, its construction, its operation and even its maintenance are now under consideration for transfer to the private sector.

Mr. Martel: Probably Acres.

Mr. Sargent: Worse than that, it's foreign-controlled.

Mr. MacDonald: I don't know anything about the foreign control for the moment.

Interjections by hon. members.

Mr. Sargent: Check it out then. What's left but foreign control? What other consortium is left? He's in bed with all of them.

An hon. member: The member is making a laughing stock of himself.

An hon. member: He's got everything.

Mr. MacDonald: The minister is really in deep trouble if he has to get assistance from the member for Grey-Bruce.

Hon. Mr. McKeough: No, no, he's helping the member for York South. He is trying to dig him out.

Mr. MacDonald: The minister's argument with regard to this whole policy is that it's one way of giving a fillip to the economy of the Province of Ontario. The great technological advances of this institution, this publicly owned institution, the technological advances which were achieved by the spending of the people's money are now going to be handed over at a fee. No suggestion? It is to be handed over to the private sector.

If you hand it over to the private sector in terms of doing the things which for the most part Hydro is going to be doing up until now, you start dismantling Hydro of its key personnel. The engineers who were getting $30,000 or $35,000, or whatever is the salary level today, will be offered $40,000 or $50,000 by the private sector to which you give the technology. You'll begin to dismantle that

key technical brains trust which has been something of the genius of Hydro. You will destroy the institution.

The supreme irony of the thing, Mr. Chairman, is that what has happened in this province is that we've wheeled a sort of Trojan horse into the whole question of Hydro by way of the COGP study. It was a task force which was dominated by outside consultants. It has frankly outlined a plan for the dismantling of Hydro as a public corporation, all apparently with the enthusiasm and approval of the Minister of Enegry. Sir Adam Beck must be turning over in his grave these nights.

In fact, if this keeps up, may I say this to the minister, and I'll let my introductory remarks rest there, Sir Adam Beck is going to stand in history where he stands as the creator of Hydro and the Minister of Energy is going to stand as the man who started to dismantle and to destroy Hydro as a public corporation in this province; because it's inevitable that the trends that you have set in motion will have something of this result.

It may take more time than I think because of the kind of pressures that will come to the protection of Hydro, even with all its critics. Those critics will become friends when they find that the real enemy of Hydro is the people who are in power in the Province of Ontario at the present time.

We'll have a later opportunity when we get into the detail of this in consideration of the estimates. I can assure you we will come back to it.

Mr. Chairman: The hon. minister.

Mr. Lewis: Go ahead. Admit you are a Tory.

Mr. MacDonald: Are you a Tory?

Mr. Cassidy: Are you going to sell Hydro? When are you going to sell Hydro?

Mr. Lewis: You Ridley aristocrat you, let's hear what you have to say.

Hon. Mr. McKeough: Mr. Chairman, I'm flattered by the fact that both the member for Huron and the member for York South, who shared very little else in what they had to say, spent most of their speeches—I would think easily half, but we'll check that in Hansard—by quoting my speeches. That's some sort of flattery, which I very much appreciate and I thank both my critics for the honour which they paid me.

They touched on some other things in the course of their remarks, gasoline pricing, nuclear safety, beans in Huron county, the question of Hydro and the OMEA. I'm not going to try to reply to the points that were made in the opening statements by the critics but just touch on some of them. No doubt we'll come back to others as they're raised during the course of these estimates.

I would say first to my friend from York South, who suggested that my speeches had varied in tone if not in substance, I think we've been consistent in the year and four months since—year and three months, I guess —since I became first parliamentary assistant and then Minister of Energy. I think our goal has been one and the same throughout the whole period of time, namely, which is enshrined in the legislation and which is our goal in the Ministry of Energy, to ensure for Ontario an adequate and secure supply of energy at a reasonable price operating under the constraints, quite frankly, that we don't have the energy sources in Ontario and that 80 per cent of the energy we use comes from outside the Province of Ontario at the present moment.

We have water power. We have uranium, which may well be the fuel of the future, but the proportion 80/20 is not going to vary that much for some years to come. We operate under that constraint, but the goal and the objective and the substance of the speeches which have been made in the last 15 months have been one and the same—to ensure that kind of supply, adequate and secure and at a reasonable price.

The concern of the province is very simply for the residential consumers of all kinds of energy, for our industries and for our commercial enterprises. More than that, to take into account the advances we have made in terms of protecting the environment in Ontario; and not to say, willy-nilly, that we are going to give up the progress we have made in terms of protecting the environment but to try and improve on what is a reasonably good record in terms of the environment and what can be a better record in the future. We do all that under the constraint that we don't really have the energy here.

We do it under the constraint which the constitution imposes on this part of the Confederation. Although we are a member of the Confederation, obviously, and although we feel there should be national policies, we do have the problem of what the constitution says in terms of ownership of resources being vested in provinces, and we're not really one of those provinces.

That's been a tremendous hangup. It's been a tremendous problem which has been faced in the past by previous administrations in this province, notably Mr. Frost and Mr. Robarts.

They came to grips with a gas problem and an oil problem and supported the building of certain pipelines which brought, at that point, more highly-priced energy to the province. It was energy which in the long run has proved to be secure and, at least in the case of oil if not in the case of gas, has proved to be available at a lower price—and it is certainly a more secure supply—than we would have paid had we relied on what was then a cheaper alternative to both natural gas and oil.

Those were, I think, bold steps in the days of Mr. Frost. Other bold steps have been taken since. But it is not as though we are talking about our nickel or our iron ore or our copper or our timber resources or our water, all of which we do control and which we have in adequate amounts. We are working with a commodity, or several commodities, which are not ours within some people's reading of the constitution of this country.

I'd be the first to admit that the tone may have changed; quite frankly, the tactics change. If the tone has changed it has been a result of a change, from time to time, in tactics. And that tone will continue to change as the tactics change. I put it quite frankly to you we are engaged not in a classic black versus white situation. We are to some extent in a war of words and in a card game, if you will, where we don't hold all the cards.

Mr. MacDonald: You don't need to be in a war of words with the oil companies. You can just act.

Hon. Mr. McKeough: The goal, the substance of what we are saying has not changed. If the tone does from time to time it may be for tactical reasons. It may very well be because there is a change of thinking on our part from time to time. I'd be the first to admit that we have changed our thinking on a number of issues.

We are a brand new ministry, some eight months old—15 months counting my experience—with really very little knowledge other than in the electrical area and perhaps in the regulation, at one end of the pipeline, of natural gas.

Mr. Sargent: That's not what you are telling the public. You know all the answers now.

Mr. F. Drea (Scarborough Centre): How would you know?

Hon. Mr. McKeough: We are doing our best to learn as we go along; and as we learn our tone, if not our goal, will undoubtedly change.

The member for York South raised the question about the pipeline; I'll just cover that briefly. I suppose my friend from York South weighs that in terms of how our position as a government might have varied. I would say to my friend from York South that the way we started was the way we ended up, and my friend from York South should know from his long experience, and perhaps from engaging in debates with me, that the way we start is the way we will ultimately end up.

Mr. MacDonald: You were wrong at the beginning and the end.

Hon. Mr. McKeough: There may have been some—

An hon. member: Playing politics.

An hon. member: Waffling.

Hon. Mr. McKeough: That was your word. I wouldn't use that word because I don't want to upset my friend from Scarborough. I don't like to upset him.

Mr. Lewis: What exactly are you trying to say?

Hon. Mr. McKeough: But we started off in a certain direction—

Mr. Laughren: You were lost at the beginning.

Hon. Mr. McKeough: —and that was the direction in which we ended and that's where we are now.

Mr. Lewis: Some of your colleagues dared to criticize and you got off track.

Hon. Mr. McKeough: I would say to my friend from York South that if he would keep his eye on the ball, and on the right ball, he will find there is a consistency and it will be there.

Mr. MacDonald: If you mean you were always right and we were wrong and played politics, I have got news for you; you were wrong.

Hon. Mr. McKough: I appreciate what he has said in his highly emotional appeal—

Mr. Lewis: Not emotional.

Hon. Mr. McKeough: —about an all-Canadian pipeline. I support that; we all support that position. But to say very loosely as the member has said, "a pipeline under our control and on our soil"; I would have to ask the member, frankly and honestly, if in the 20 years since the pipeline has been built Canada has been hurt one jot or tittle because part of that pipeline went through the United States? I think we have to address ourselves to that fact fairly and squarely. The oil leaves Canada; it goes through the United States and comes out in Canada.

Interjection by an hon. member.

Hon. Mr. McKeough: The amount we have bought comes into Canada and we have not suffered. You've come late to it; I take second place to no one on this side of the House in terms of where I stand on the whole subject of economic nationalism. I don't back off from that position.

Interjections by hon members.

Mr. Lewis: Come on! You want to sell our uranium. You are right; you take second place to no one. You are a continentalist, you are.

Mr. J. A. Renwick (Riverdale): Talk about rewriting history.

Hon. Mr. McKeough: One would like to be realistic; one likes to be practical. One likes to be emotional—it's great speech material.

Mr. Lewis: Come on now.

Hon. Mr. McKeough: I ask the member whether we have suffered in the 20 years both pipelines have been built because the pipelines went through the United States?

Mr. MacDonald: That's right.

Mr. Lewis: We have.

Hon. Mr. McKeough: We have not.

Mr. MacDonald: Do you want me to answer the questions?

Hon. Mr. McKeough: Yes, answer the question. Have we suffered?

Mr. Lewis: Certainly we have.

Mr. MacDonald: I could say to you would we have suffered if we had built the railways south, around Chicago, and then back into Canada? Of course we would. We wouldn't have linked the bridge over the Great Lakes and united this nation.

Mr. Stokes: We are paying more for oil and gas—

Mr. MacDonald: With the kind of unity in this nation which we could have achieved if we had built our pipelines on Canadian soil, northern Ontario would have had reality instead of all the rhetoric that you give us.

Hon. Mr. McKeough: It is not the question which I asked the member and he well knows it. We have had pipelines—

Mr. Lewis: Yes it is.

Mr. Stokes: We have suffered and you know it.

Hon. Mr. McKeough: We have not suffered.

Mr. Stokes: We have suffered more in northern Ontario than you have.

Hon. Mr. McKeough: I say to my friend from Thunder Bay, for whom I have great respect, how have we suffered because one part of the TransCanada pipeline goes through the United States? How have we suffered because the interprovincial pipeline goes through the United States? Answer that question.

Mr. MacDonald: It should have gone down through his area and provided them with a pipeline for gas.

Mr. Stokes: I'll tell you how we have suffered. Before the line went through the United States the oil companies built a refining capacity in Superior-Duluth. They used to truck the refined material to Thunder Bay and we paid more. Even though they closed down that refining capacity there they've started to build it up again and we are still paying more, eight to 15 cents a gallon more.

Mr. Lewis: The minister is out of his depth on this one.

Hon. Mr. McKeough: I would have to say with respect to my friend, and I am not trying to be provocative in this, that the fact that the two pipelines went through the United States has not hurt.

Mr. MacDonald: You'd better not be provocative when you are on this ground.

Hon. Mr. McKeough: We have never been in jeopardy because those pipelines went through the United States.

Mr. Lewis: Of course you have. They have added to the whole psychology of export of oil and natural gas.

Interjections by hon. members.

Hon. Mr. McKeough: No, I don't accept that.

Interjection by an hon. member.

Mr. Chairman: Order, please; order.

Mr. Sargent: Mr. Chairman, will the minister accept a question?

Hon. Mr. McKeough: No. It is great to make a tub-thumping speech. I've made them in my time and I'll make them again. But I would—

Mr. Sargent: On a point of order.

Mr. Drea: There's no point of order; he said no.

Mr. Chairman: Does the hon. member for Grey-Bruce have a point of order?

Mr. Sargent: The minister was talking about economic nationalism—he is a great supporter of that. Would he answer me by telling me, on the consortium that you are having secret negotiations with—

Mr. Chairman: The chairman rules that is not a point of order.

Mr. Sargent: Well, does he think that he should answer questions only for the NDP and not the Liberals, or what?

Mr. Chairman: There is no point of order.

Hon. Mr. McKeough: Mr. Chairman, I have to say that I am glad that my friend from Grey-Bruce is here. My faith in the Liberal Party has been restored, because most of the Liberal Party have gone to Sudbury but they left you here; and that is good news for the Liberal Party. I hope you stay here for the whole weekend.

Mr. Sargent: Before the night is over it's bad news for you, I'll tell you that.

Mr. Chairman: Order.

Hon. Mr. McKeough: Now, Mr. Chairman—

Mr. MacDonald: You are being provocative, Darcy.

An hon. member: Are you being provocative or impolite?

Hon. Mr. McKeough: I am being provocative. I have been provoked.

Mr. Chairman, I ask you to keep that in mind with respect to the pipeline. The other answer to the question is, of course, that nobody, including the member for York South, can stand in his place and say with certainty that it makes sense to build that pipeline. We don't know whether the conventional oil in western Canada is there to put through it. That is of some concern.

The hon. member dismissed $100 million. That was the Soo pipeline, by the way. The connection to the Soo would cost $100 million more. If you want to be fair, if you are talking an all-Canadian route you are talking $300 million more, and that is a large sum of money; and so is $100 million.

Mr. Lewis: Just take it from the excess profits of the oil companies.

Hon. Mr. McKeough: At this point in time we have more than a little concern about the amount of oil which is going to be available from conventional sources to come through that pipeline to Montreal.

Mr. MacDonald: Why do you engage in the gesture and say you are in favour ultimately of an all-Canadian pipeline?

Hon. Mr. McKeough: We are if the oil is there. And in the meantime—

Mr. MacDonald: You are trying to be on both sides of the fence.

Hon. Mr. McKeough: No, no; if you want to thump the drum, as you have about going through the United States, then let me thump this drum and say that at a time when eastern Canada needs the security of supply, we are supporting a pipeline in the quickest possible, most economic way, and we haven't forgotten about the Province of Quebec—

Mr. Lewis: That is not easy.

Mr. MacDonald: Oh, come off it.

Hon. Mr. McKeough: —the way you so cavalierly did tonight. Just forgotten about it. We won't on this side of the House—

Mr. Martel: What kind of nonsense is that?

Hon. Mr. McKeough: Or eastern Ontario or the Maritime provinces.

Interjections by hon. members.

Hon. Mr. McKeough: We come now to the subject that was raised by both members. The member for Huron raised the question of the safety of Candu. I say that at the same time that your leader is talking about exploiting our success in Candu and exporting it abroad, I find it a little hard to listen—

Mr. Sargent: What success?

Hon. Mr. McKeough: —to your remarks about saying we shouldn't be going ahead with nuclear programme. I say to you, I don't care what your position is; your position for years in the Liberal Party was that Candu was a failure. Now that it's a success your leader has jumped on the bandwagon—

Mr. Sargent: You can't sell it any place. What are you?

Hon. Mr. McKeough: He has endorsed it, and yet his energy critic says we shouldn't be putting the faith we are in the nuclear programme. I just say for your own sake, before you go to Sudbury, before Mr. Trudeau comes up and sets you straight, for heaven's sake sort out the position between the front bench and the backbench, because it'll make us happy, even if the confusion that you're in doesn't worry you.

Hon. Mr. Grossman: That will be like the blind leading the blind.

Hon. Mr. McKeough: I say that about the nuclear programme; and I am proud as we are proud, as your leader is now apparently proud after knocking Candu—

Mr. Sargent: You just got the job by accident; what are you talking about?

Hon. Mr. McKeough: After knocking Candu for 10 years he's now swung around and says we should exploit the Candu technology in the world. Well all I'm saying to my friend from Huron—who made some very nasty remarks, and you go ahead—all I'm saying is, before you get up and talk about energy for your party, for heaven's sake read your leader's speeches. Don't read mine. Find out what he's saying, so that for once there'll be some consistency on some subject in the Liberal Party, because there sure wasn't any there tonight.

Mr. Sargent: Who writes your speeches?

Hon. Mr. McKeough: And I feel sorry for you if that's the tactic you're going on. It's easy to attack, but for heaven's sake have some consistency between the front row and the back row.

Mr. Sargent: Since when are you an authority on energy?

Hon. Mr. McKeough: I jump the middle row because there'll never be consistency there. Never! Now I come back to the question of—

Interjections by hon. members.

Hon. Mr. McKeough: I am through with him. I'm devoting my full attention to the hon. member for York South.

Mr. Lewis: Well, that was too long!

Interjections by hon. members.

Mr. Chairman: Order.

Hon. Mr. McKeough: They've had it. And now oil prices.

Mr. Lewis: All right, let's get the stories.

Hon. Mr. McKeough: We should talk about oil prices. Well you know, I have been here now for nearly 11 years. The hon. member for Scarborough West and I came in to the House at the same time.

Mr. Sargent: And everything you touch has been a failure.

Mr. Lewis: How come you went so far?

Hon. Mr. McKeough: And when I came in nearly 11 years ago, the hon. member for York South, who was then in a somewhat more exalted position than he's in now, was talking about the high profits of the oil companies then. And he's done that for 11 years. In good years and bad years, he has talked about the big profits of the oil companies.

Mr. Lewis: That's right.

Hon. Mr. McKeough: Now if you'd talked about them only in the last year, I could listen to you with a little bit of credence. But you've talked about oil companies for 10 years. Whether they've made money or not, you've quoted facts and figures that they've made too much money.

Mr. Cassidy: And what have you done about it?

Mr. Martel: When did they ever lose money?

Mr. Renwick: Which were bad years for oil companies?

Hon. Mr. McKeough: I put that fact on the record.

Interjection by an hon. member.

Hon. Mr. McKeough: And for 10 years you've been asking for a prices review board.

Mr. Lewis: That's right.

Hon. Mr. McKeough: Is that right? That's right? Okay, we've got that on the record.

Mr. MacDonald: While you were talking about consumer protection we were suggesting what you could do about it.

Mr. Lewis: For 10 years we've been consistently right. That's virtue.

Mr. Chairman: Order.

Hon. Mr. McKeough: That's right.

Mr. Lewis: Right.

Hon. Mr. McKeough: So let's talk about oil prices for a minute. Let's talk about oil prices for a moment.

Interjections by hon. members.

Hon. Mr. McKeough: My friend from York South, and my friend from Scarborough West in his interjection, wanted to be philosophical about where we stood. Philosophically, I make no apology for this, my position, and I suspect the position of those of us—hopefully when there are more of us here on this side of the House—

Mr. Lewis: You found how wrong you were.

Mr. Martel: Even they couldn't listen any more.

Hon. Mr. McKeough: And we make no apology—well there are quite a few over there, God bless them. We make no apology for the fact—

Mr. Lewis: Well then stop apologizing and get to it.

Hon. Mr. McKeough: We make no apology for the fact that we think that a free market works rather well most of the time.

Mr. Lewis: Come on! What free market? This is called monopoly capitalism, that's what it is called. It is not a free market at all.

Mr. Stokes: I know where you got it from —Mr. Armstrong, president of Imperial Oil; I am reading his speech.

Interjections by hon. members.

Mr. Lewis: What a pleasure these estimates are going to be!

Mr. MacDonald: All that crap about the international cartel gouging the public.

Interjections by hon. members.

Mr. Chairman: Order, please. The hon. minister has the floor.

Hon. Mr. McMeough: Thank you very much, Mr. Chairman. They're being awfully provocative over there, but I'm not being provoked. I hope you've noticed that, sir.

Mr. Lewis: Well, you are a dignified neanderthal!

Hon. Mr. McKeough: But that's point one, where we stand philosophically. That is what I pointed out to you.

Mr. Lewis: But this is not a free market.

Hon. Mr. McKeough: You socialists don't believe in profit, let alone high profit or low profit. You don't understand the word.

Mr. Lewis: Of course we believe in profit.

Hon. Mr. McKeough: Do you? Do you really? What one of you has ever made a return on investment?

Mr. Lewis: All of us have made a return on investment.

Interjections by hon. members.

Mr. Martel: You better believe it. Ask the member for High Park.

Hon. Mr. McKeough: Do you really understand it?

Mr. Lewis: When you can tie your shoelaces you can talk to us about return on investments. When did you buy gold? When it was $10 an ounce? Don't talk to us about return on investments.

Hon. Mr. McKeough: That nice chap who used to sit in the front row—what was his name, nice chap. Freeman. He was a small merchant, the only one you've ever had in your party. You went from there right up to Shulman, which none of us can understand. But he understood return on investment. He put the money out and he was making a return on investment. He ran a shoe store, didn't he? The rest of you know nothing about investing and nothing about profits and nothing about returns.

Interjections by hon. members.

Hon. Mr. McKeough: All I am saying to you is that, for heaven's sake, when you stand up and talk about profits, why don't you just admit that you think profit is a dirty word? You don't like them whether they are big or small or excessive.

Interjection by an hon. member.

Hon. Mr. McKeough: For 10 years you have been asking for a prices review board when prices were at this level and profits at that level or the other way around. You don't understand it. Profit is a dirty word to you.

Mr. Lewis: You don't understand.

Mr. Stokes: We believe in profits but not in a licence to steal.

Hon. Mr. McKeough: You don't believe in profits and you never have. You don't know the meaning of the word.

Interjections by hon. members.

Hon. Mr. McKeough: You are socialists. Admit it and you would be so much happier.

Interjections by hon. members.

Hon. Mr. McKeough: I will tell you this, if I am a Waffling socialist, you are wallowing in it, just wallowing in socialism over there. Admit it.

Mr. Lewis: Of course we admit it.

Hon. Mr. McKeough: Don't stand up and try to cloak your arguments in some sort of economic garbage about all profits. You don't believe in the thing to begin with.

Mr. Martel: Is he for real?

Mr. MacDonald: Mr. Chairman, on a point of order, I am hoping the minister can get ahead with his speech. He constantly gets back on trying to persuade us and get us to admit we are socialists. Look, we are socialists. Believe that we are socialists. Go ahead now and let's find out what you are.

Hon. Mr. McKeough: I will tell you very simply. I am not a socialist. I believe in a profit. I believe in a return on investment. That separates us and we really can't talk about our problems.

Interjections by hon. members.

Mr. MacDonald: What about gouging?

Hon. Mr. McKeough: Oh, you have been talking about gouging for 10 years.

Mr. Lewis: You don't understand the difference between profit and theft. That's your problem.

Hon. Mr. McKeough: I didn't hear you.

Mr. Lewis: You don't understand the difference between profit and theft.

Hon. Mr. McKeough: Oh, I do.

Mr. Lewis: Oh no, you don't.

Mr. Stokes: What does the minister think about that wild-eyed socialist in Newfoundland who just confiscated Brinco—a fellow by the name of Moores? A socialist?

Mr. MacDonald: Go back to your speech.

Mr. Chairman: I am wondering if the members of the House will allow the minister to get back to his estimates.

Mr. MacDonald: If the minister would allow it himself.

Hon. Mr. McKeough: Mr. Chairman, what I am trying to do, as we begin this discussion, is to paint for all to see the philosophic differences.

Mr. Stokes: Between you and Frank Moores.

Hon. Mr. McKeough: Oh, no.

Mr. Young: And don't forget, this man runs the biggest socialist enterprise in the Province of Ontario.

Hon. Mr. McKeough: I just want to spell out the differences. I think I have succeeded.

Mr. Cassidy: When are you going to sell Ontario Hydro?

Hon. Mr. McKeough: Mr. Chairman, I think we have had some success. I take some satisfaction in the fact that an oil company yesterday decided not to proceed with a certain price increase. I take some satisfaction that when most of this country was talking about oil going to international levels, including I might say the Premier of the socialist government of Saskatchewan who put it very, very well, and fought very hard for his province. He sure wasn't talking like a socialist when he said it. He wanted world market prices. I give Mr. Blakeney full credit. He crystallized an issue which we have been trying very hard to crystallize.

Mr. MacDonald: He wanted to get some redress for the inconsistencies of Confederation.

Hon. Mr. McKeough: When he moved in and when he took the difference between the frozen price and the world market price into his own hands, he crystallized an issue.

Interjection by an hon. member.

Hon. Mr. McKeough: Yes, but he has backed off; and it is sort of sad.

Mr. MacDonald: To some degree, but he is forced to a compromise for the moment—just like you are forced to accept a measure of socialism.

Hon. Mr. McKeough: He has decided he isn't quite the socialist he thought he was, because he has now decided to encourage the producers. That's interesting. There's a little lesson there.

Mr. MacDonald: Like the lesson you are learning now.

Hon. Mr. McKeough: Mr. Blakeney took the $6.50, the difference between $4 and $10.50. He took it all, and you know it and I know it. Within the last week the producers have been pulling out of Saskatchewan. He's revising his whole system so that the producers are going to get a piece of the action. Now, whether they should get a bigger or smaller piece of the action is something that you and I can't decide here. But all I would say to you, and that's perhaps what separates us, is that the pure socialism of Mr. Blakeney fell apart this week—

Interjection by an hon. member.

Hon. Mr. McKeough: —because he admitted there was a place for the private sector—

Interjection by an hon. member.

Hon. Mr. McKeough: —and he has revised his high-faluting theories and he says: "We are going to let you in—"

Mr. MacDonald: Just as your—

Hon. Mr. McKeough: "—because we want the drilling and we want the production in dear old socialist Saskatchewan."

Mr. MacDonald: Just as your pure Toryism is falling apart day in and day out; that's your problem.

Mr. Stokes: You told them in Oshawa last night that you might have been wrong for years and years in Ontario.

Hon. Mr. McKeough: Well, Mr. Chairman, I am never afraid to admit when I have been wrong. But the smugness over there—you know you never admit you are wrong.

Mr. Stokes: Always willing to learn.

Hon. Mr. McKeough: A little milk of human kindness would become you so much, really it would.

Mr. Sargent: You are making free enterprise a dirty word, you know.

Hon. Mr. McKeough: The member talks about regulation by the Ontario Energy Board? This should be said: Profit increases of the oil companies, which have been announced for this quarter, were completely predictable.

Mr. Stokes: They are immoral.

Hon. Mr. McKeough: The members opposite—

Mr. Stokes: They are immoral.

Hon. Mr. McKeough: The members opposite—just let me say this—the members opposite, in that party, have talked about the increases that Imperial Oil have gained this quarter over last quarter. That didn't happen yesterday. That happened 12 months ago when the price per barrel went from $3 to $4.

Mr. MacDonald: Now they are up from $4 to $6.50.

Hon. Mr. McKeough: Well, that will not show up, I would suspect, until the second quarter or the third quarter of this year—

Mr. Stokes: But it is inevitable.

Hon. Mr. McKeough: —when they start collecting their share of the difference between $4.50 and $6.50.

Mr. Cassidy: We're in the second quarter now and you haven't done anything.

Hon. Mr. McKeough: But they haven't started to collect yet; I would say to my know-all friend from Ottawa, they have not started to collect. Ask my friend from York South; you keep out of this, because he knows what he is talking about, you don't.

Mr. MacDonald: Thank you, Darcy.

Hon. Mr. McKeough: They have not yet started to collect that and I suppose those profits really will not show until the third quarter. Would my friend from York South agree with that? That's when we will really see the profits, I suppose, because they are making the 90 cents they made from a year ago, plus they will be making one-third of the $2.50. What's that? Eighty cents?

Mr. MacDonald: Are you going to reduce—

Hon. Mr. McKeough: One dollar and seventy cents a barrel.

Mr. MacDonald: What are you going to do about it?

Hon. Mr. McKeough: What are we going to do?

Mr. MacDonald: Yes, right.

Hon. Mr. McKeough: What are we going to do?

An hon. member: Yes.

Hon. Mr. McKeough: Well, just how we get at the per-barrel price is a little bit beyond me. It's a little bit beyond me.

Mr. Cassidy: Are you going to curb their profits?

Interjections by hon. members.

Hon. Mr. McKeough: Let me be serious for a moment; let me serious about this. It's going to be very interesting to see what happens as to how one defines an excess profit, and I'll return to that subject.

Mr. Sargent: You haven't tried.

Hon. Mr. McKeough: I am not here to apologize and I will not apologize for the oil companies. I've said some things which I sincerely believe. Let me say this.

Mr. Cassidy: But you have been apologizing for them.

Hon. Mr. McKeough: Oh be quiet little boy, just be quiet. Let people talk who know what they are talking about.

Mr. Cassidy: You stop apologizing, I will stop commenting.

Hon. Mr. McKeough: When we look at the return on investment of the oil companies, BP this morning or yesterday morning—by the way, a 50 per cent state-owned operation, that should go on the record—BP rolled in and said their profit was up 50 per cent. And those are the figures the member from Scarborough revels in—what this quarter was over last quarter; we on this side of the House understand something called return on investment. BP were way up and they pointed out that they were still making less than 10 per cent return on investment. I would have thought, and I say this sincerely—

Mr. Sargent: That's bad?

Hon. Mr. McKeough: —I would say that it is completely wrong when I can make 11 per cent on somebody's mortgage.

Mr. Sargent: One per cent—

Hon. Mr. McKeough: When somebody can make 11 per cent on somebody's mortgage, I don't think 10 per cent is a very good return on investment.

Mr. Lewis: You tell us about the big companies, don't give us this about mortgages.

Hon. Mr. McKeough: All right, all right; sure.

Mr. Lewis: Shell.

Hon. Mr. McKeough: I'll talk to you about Shell, who for the last 10 years have made less than 10 per cent; about Imperial Oil who have—

Interjections by hon. members.

Mr. Renwick: Standard.

Hon. Mr. McKeough: Oh, we're now going to regulate the American companies, too.

Mr. Renwick: They control companies here.

Hon. Mr. McKeough: I will talk about Shell, who made something less than 10. They did better than that this year, no question.

About Imperial Oil, who are the biggest and the most efficient in my view, who made 12—now let me just talk about this for a moment—who this year made 18 per cent. Then you look at their statement. They made an 18 per cent return, which works out to a couple of hundred million bucks on a book value of $1.3 billion.

They publish this. Why they do, and why they show the charts, is beyond me. If you multiply, they are making 18 per cent—the member for High Park will appreciate this—on the book value of the company, and that's what they show.

If you take what the market value of that stock is, it is worth not a billion or two or

three, it is worth, as of a couple of days ago, over $5 billion. At that rate they are making a rate of return of four or five per cent.

Mr. Sargent: That's a lot of nonsense. You know that.

Mr. Chairman: Order, please.

Hon. Mr. McKeough: I am pointing out to my friends opposite, who do not believe in—you really don't, you know—in profit, in return on investment, in investment.

Mr. Renwick: That's not correct, and you know it.

Hon. Mr. McKeough: You really would, let's face up to it, you would like to make them all broke and then you could take them over and nationalize them and you would be happy.

Interjections by hon. members.

Hon. Mr. McKeough: Sure you would. That's your aim, that's your ambition purely and simply.

Mr. Lewis: Nobody is going to believe that nonsense.

Hon. Mr. McKeough: That's the premise you started with, purely and simply. You don't believe in the word profit because you have never made it.

Hon. Mr. Grossman: I think they are socialists.

Hon. Mr. McKeough: Yes, I do too.

Mr. Martel: How did the provincial secretary figure that one out?

Interjections by hon. members.

Hon. Mr. Grossman: The Minister of Energy convinced me.

Hon. Mr. McKeough: Mr. Chairman, I have been as non-provocative as I know how.

Mr. Sargent: Read the notes they gave you.

Hon. Mr. McKeough: I would say this, in concluding these remarks. I said the other day that we were impressed with what Nova Scotia had appeared to have done. That decision is being appealed to the courts. Whether it will stand up—whether it is within the competence of Nova Scotia remains to be seen.

Perhaps what is more important is that Nova Scotia is in some respects in a more fortunate position than we are, in that they have an excess of refining capacity, whereas I have explained to my friend from York South, we have in this province refining capacity for about 80 per cent of what we use. That is a constraint.

If Nova Scotia's legislation stands up what happens to that refining capacity? If somebody can make a better return in a neighbouring province, or in a neighbouring state, is that where the crude and the refined product is going to flow?

Mr. Lewis: Of course not.

Hon. Mr. McKeough: It is very pretty—oh sure, Nova Scotia will put on tariffs. Is that what they are going to do?

Mr. Lewis: Oh, but the oil companies aren't going to do that. They wouldn't dare play that game with Confederation, and you know that. You just let them run rampant.

Mr. Renwick: You believe the Imperial Oil officers are a threat to them?

Hon. Mr. McKeough: I say to my friend very simply—

Mr. Lewis: Are they blackmailing you?

Hon. Mr. McKeough: —let's not just jump and see if it is working. Let's just not get overly enthusiastic. I am impressed—

Mr. Lewis: You are saying you can be blackmailed by them.

Hon. Mr. McKeough: I am impressed with what they have done.

Mr. MacDonald: Well do it then.

Hon. Mr. McKeough: I am impressed with the legislation which has been extant in Quebec for a couple of years now, but I point out to you that they started two years ago in Quebec. What direction they are going I don't know. They don't have price control at the moment or price regulation.

Mr. Lewis: You saw what British Columbia is going to do.

Hon. Mr. McKeough: In their marketing legislation, to date, they have hired 32 inspectors, they are regulating nothing. They have co-ordinators and directors and so on; they are an oil economy.

I would submit most sincerely, and I would completely admit, that it is probably within the constitutional jurisdiction of this province by amendment—

Mr. Lewis: Oh!

Hon. Mr. McKeough: I have never denied this.

Mr. Lewis: Well, the Premier has.

Hon. Mr. McKeough: No, he has not.

Mr. Lewis: He certainly has.

Mr. Martel: He is blaming everything on Ottawa.

Hon. Mr. McKeough: What the Premier has said and what I have said is that if there is ever anything that should be done nationally it is wage or price controls or commodity controls.

Mr. Lewis: No, he plays the game that it is a national issue.

Hon. Mr. McKeough: And you would balkanize this country in 10 parts; you would balkanize it.

Mr. Lewis: No, sir. You are the fragmenter because you allow Ontario consumers to be exploited.

Hon. Mr. McKeough: You would balkanize—

Mr. Chairman: Order, please.

Hon. Mr. McKeough: If there is ever anything that should be national it is price controls, if they are necessary. It should not be done on a regional or provincial basis, and the member knows that very well.

Mr. Lewis: You are the balkanizer. No one protects the consumers of Ontario in other words.

Mr. Chairman: Perhaps the minister would return to the estimates please?

Hon. Mr. McKeough: Yes, having said all that, Mr. Chairman,—

Mr. Martel: It wasn't very much, I assure you.

Hon. Mr. McKeough: Having said all that—

Mr. Kennedy: It is all the member for Sudbury East could have said.

Hon. Mr. McKeough: —I would simply say that we continue to examine this matter rather closely. We feel that it is a national responsibility. We think that totally there is inflation in the economy. I find it a little hard to know why you pick out—I know why you do, I know why you pick out oil and gas. Why don't you talk about lumber, which could be controlled by a socialist government in British Columbia and the price of lumber in this country today is a disgrace.

Mr. Lewis: And is being controlled.

Hon. Mr. McKeough: It is a disgrace what has happened to the price of lumber.

Mr. Renwick: Quite different. The balance is international trade and you know it.

Hon. Mr. McKeough: It's a disgrace, what has happened to the price of lumber. You can talk about the price of wheat, you can talk about the price of coffee. We are in a period of inflation and the only way we will come to grips with this is on a national level and not on a balkanized level. Having said all that—

Interjections by hon. members.

Mr. Lewis: No, you are wrong. You have a responsibility to Ontario which you neglect. You forget your constitutional responsibility.

Mr. Cassidy: And all you do is play to the federal government.

Mr. Renwick: You can't equate copper and lumber with domestic oil.

Hon. Mr. McKeough: Having said all that, Mr. Chairman, I would indicate to the House that we continue to follow this whole matter with more than a little interest.

Mr. Chairman: It is the wish of the members of the House that we deal with votes 1802 and 1801 collectively?

Interjections by hon. members.

Mr. Lewis: You are on weak ground. You are going to be sorry you are raising these things.

Mr. Chairman: Are there any comments on votes 1801 and 1802? The member for Sandwich-Riverside.

On votes 1801 and 1802.

Mr. F. A. Burr (Sandwich-Riverside): Mr. Chairman, as the environmental critic for the New Democratic Party the policies of the Minister of Energy are of great concern to me. I have just realized what the minister's problem is. He explained it very succinctly. The minister said 80 per cent of our energy sources are outside the province. In other words we have only 20 per cent of our needed energy resources.

An hon. member: In the bank?

Mr. Burr: Of course he is ignoring, as almost everybody did until a couple of years ago, the fact that we in this country have sunshine, and all the countries of the earth have enough sunshine, to supply adequate energy for their needs if they had the technology. As one of the advanved countries in technology we, together with the Americans, are capable of supplying our own energy needs. If you take the view that we have to import 80 per cent of our energy of course your policies are going to be off-balance.

The energy sources the minister is interested in are all the dirty ones. He is not interested in the clean sources of energy. In fact we might just as well call him the minister of dirty energy.

Mr. I. Deans (Wentworth): Or the dirty Minister of Energy?

Mr. Burr: No, I wouldn't say that; the minister of "dirty" energy. Perhaps we should have this cabinet create a new ministry, a ministry of clean energy.

Mr. J. R. Breithaupt (Kitchener): Mr. Clean.

Mr. Burr: And we could put somebody else in that with instructions to get going.

I have a few questions to which I should like some answers and a few comments to which I would like some return comments. The first one is probably not answerable tonight but I would appreciate an answer at the minister's early convenience.

According to the Associated Press story reported on Dec. 10, 1973, the 20 largest oil companies in the United States control first, almost 90 per cent of that country's known oil reserves; second, virtually all of the oil shale lands currently under private ownership; third, between 30 and 60 per cent of the country's coal; fourth, over 70 per cent of its natural gas; fifth, more than 50 per cent of the uranium supply used in nuclear power generation. My question is: What are the corresponding statistics for Canada and especially Ontario?

The figures I have just quoted show clearly that the oil companies have effective control over all the dirty energy sources.

Most of us can appreciate the extent to which these 20 oil companies control the White House and the policies announced by the White House. Is it any wonder, therefore, that the President's panel on solar energy, which was set up at his request with the joint efforts of the National Science Foundation and the National Aeronautics and Space Administration, had virtually no impact on the President?

The report of the 40 members who constituted the panel was made in December, 1972, and had no effect on the next budget. The panel had recommended a 15-year research and development programme totalling some $4 billion for the various kinds of solar energy but the President's January, 1973 budget—on the advice, of course, of his oil advisers—allotted only $15 million for the fiscal year 1974 to solar energy research and development; a mere pittance compared with the $563 million allotted for further nuclear fission.

This year, presumably as a result of the so-called energy crisis, the Atomic Energy Commission, of all people, sent an urgent message delivered by hand to the President urging an $11 billion expenditure over a period of five years on research and development of new ways of using coal, new ways of using the sun and new ways of using the heat locked beneath the earth. The spokesman said, on that occasion:

> These are not piddling programmes that just pay lip-service to solar and geothermal research. What we are doing here is making a commitment to these programmes to get maximum use out of every usable energy resource we have.

That came from the Atomic Energy Commission, whose spokesman emphasized the seriousness of the recommendation.

Have any startling announcements been made from the White House about a new direction in research and development allocation of funds? If so, I haven't heard about it. Yet this December, 1972 report of this solar energy panel—entitled "Solar Energy as a National Resource" contains such statements as the following:

> 1. Solar energy is an inexhaustible source of enormous amounts of clean energy.

This, Mr. Chairman, is the answer to an environmentalist's prayer.

> 2. In principle, solar energy can be used for any energy need now being met by conventional fuels.

That, Mr. Chairman, should be the answer to an Energy Minister's prayer; one would think.

> 3. There are numerous conversion methods by which solar energy can be used for heat and power. Examples: thermal, photosynthetic, bioconversion, photovoltaic, winds, and ocean temperature differences.

Mr. Sargent: The profit incentives aren't there in solar energy as they are in nuclear power.

Mr. Burr: Is that the explanation?

Mr. Sargent: Motivation is profit.

Mr. Burr: To quote further:

> 4. There are no technical barriers to wide application of solar energy to meet US needs.
>
> 5. From sea thermal energy alone, the total annual production could exceed the total energy demands of the year 2000.
>
> 6. For most applications, the cost of converting solar energy to useful forms of energy is now higher than conventional sources, but due to increasing prices of conventional fuels and increasing constraints on their use, it will be competitive in the near future.

This was written, Mr. Chairman, more than 1½ years ago. The near future has already arrived.

> 7. With adequate financial support behind solar energy programmes, building heating could reach public use within five years; building cooling in six to 10 years; synthetic fuels from organic materials in five to eight years; and electricity production in 10 to 15 years.

One member of this panel, a civil engineering professor, testified before an Atomic Energy Commission licensing hearing in January, 1973, that wind power, an indirect form of solar energy, could provide as much electricity for Long Island in 1977 as a proposed nuclear power plant at the same cost or less, and with much greater reliability.

The good news from the solar energy panel should have delighted every politician with any responsibility for forming energy policies. It solves the dilemma of nuclear fission power, which is: Is the benefit worth the terrifying risk?

The good news about the feasibility of solar energy as a fuel source creates a new equation involving unlimited benefits for mankind without any risks to the environment, to human health or to the genetic bank of the human race in the future.

Yet our Minister of energy seems to be not only not delighted by the good news but even somewhat embarrassed. Why is this? Every few weeks there is a headline in some paper or other such as this one: "Nobel Winner Says, 'Sun Power Best, Safest Energy Source.'" Another one. "Expert Says Solar Energy Safer than Nuclear Energy."

In the United States we have the Committee for Nuclear Responsibility Inc. with headquarters in California. Its board of directors contains at least four Nobel leureates—two of them in the field of biology and two in the field of chemistry. There are many other organizations in the United States that are taking a similar stand, most of these consisting of scientists in one field or another. These men understand nuclear fission and the effects of radioactivity on human cells and on human genetics. They want to end the proliferation of nuclear fission power plants.

The minister and I know nothing about the technical details of nuclear fission, nor does President Nixon. He made a speech in June, 1971, about the nuclear breeder as being "the best hope for the future", but then blurted out in September, 1971, "This business about breeder reactors and nuclear energy is over my head".

Politicians, who are not themselves scientifically trained, have to take advice on technical matters from their technical advisers. This is obvious, and nobody disputes it. But on moral issues, politicians should be able to make their own decisions. Oil companies may feel threatened by the good news about the feasibility of solar energy but politicians should not. The whole nuclear establishment may feel threatened by the good news about solar energy, but the Minister of Energy should not.

I have notified the minister about a seminar on wind energy conversion, to take place in Sherbrooke, Que. on May 29. On two occasions he has made reference to the expense that would be involved if my wife and I can go there at our own private expense, surely the government of Ontario can afford to send at least one civil servant as an observer. A few moments ago we were reminded how the minister approved a whole pipeline through southern Ontario without even consulting the cabinet. Then he has the temerity to suggest that he could not send anyone to Quebec without consulting the Chairman of Management Board.

Some of the most knowledgeable people in this particular field will be present at this seminar. They will be presenting concepts that will range from traditional to revolutionary. There will be talk of towers 800 ft high. There will be descriptions of off-shore floats on which tall towers with wind turbines will be built. Prof. Herconemus thinks big. It will be an interesting meeting. There are

scientists both at the University of Sherbrooke and at McGill keenly interested in the conversion of wind energy on a commercial scale. It may turn out to be just another seminar; on the other hand it may become an historic meeting.

I don't know how feasible wind power is but Buckminster Fuller says that it is the most promising form of solar power by 99 to 1. Buckminster Fuller, I believe in the year 1971—before the last election—was eagerly sought after for his opinion on how to solve the Spadina ditch quandry. I don't see why, when he gives free advice, it should not be listened to. That advice about Spadina did cost about $12,000, if I remember.

The point is, Mr. Chairman, that solar power is moral; nuclear power is immoral. The minister need make no apologies to anyone for attending such a meeting or sending an observer.

Mr. Sargent: He can't go.

Mr. Burr: I asked in the House yesterday, I believe it was, about the perpetual methane economy; that is, methane gas converted from organic matter. The minister's stock reply, as usual, was "the time for methane hasn't come" or something to that effect. The conversion of algae or sorghum or other plants into methane gas is a technology which was demonstrated long ago.

In the United States the large-scale production of instant gas could be achieved if farmers were encouraged to cultivate algae on some of the land which they are paid to keep out of agricultural production. The National Science Foundation, in 1972, estimated that all the world's energy requirements in the year 2000 could be met by this one method alone; that is, by combustion of high-energy plants cultivated on only about four per cent of the world's land surface.

This, of course, is not the only method for producing methane gas. The United States Department of the Interior estimated in 1970 that the domestic animals in the United States—cattle, pigs and chickens—produce enough waste every year to make two million barrels of low sulphur oil or nearly 40 per cent of the United States' requirements. This method of solar energy conversion is not my first choice but I would certainly favour it over a continuation of nuclear fission.

There are many clean alternatives, Mr. Chairman, to dirty nuclear power. It is natural enough for technical people to prefer and to promote their own brand of energy but it is not natural for politicians to favour dirty technologies over clean technologies.

Mr. Sargent: Sure thing.

Mr. Burr: If we, as politicians in this Legislature, have any role to play it is in keeping the various vested interests from jeopardizing the public interests whether it be in the conflict between doctors and chiropractors; between architects and engineers; ophthalmologists and optometrists; dentists and denturists; or the nuclear establishment and the advocates of solar energy. If this is our role we should play it to the best of our ability.

I would like to pause and ask how does the minister view the politicians' role in general and that of himself as minister in particular? I notice that the minister was interrupted in the last couple of sentences. Would you like me to repeat the last two sentences?

Hon. Mr. McKeough: I just heard what the member was saying.

Mr. B. Newman (Windsor-Walkerville): Only with one ear he heard.

Hon. Mr. McKeough: Go ahead.

Mr. Burr: Go ahead?

Hon. Mr. McKeough: Repeat it.

Mr. Burr: I said how does the—

Mr. Sargent: Read it over again, the whole thing.

Mr. Burr: My question is at this point and I'd like an answer just to this one point now: How does the minister view the politicians' role in general in this field of energy and how does he view his own role as the Minister of Energy in particular?

Hon. Mr. McKeough: Mr. Chairman, we have had discussions about this in various question periods and I very much appreciate the sincerity with which the member is approaching what he considers to be alternatives which should be—

Mr. Sargent: He is getting through to you.

Hon. Mr. McKeough: —seriously considered as opposed to what we regard as certainly proved sources of energy, such as coal, oil, gas—not all of them dirty; they can be made cleaner and are being made cleaner, given research, given time—water power and nuclear power. I think the member's aversion, which he and I don't share, is particularly to nuclear power. We think it is clean. It has

a risk. Obviously, leaving this building tonight each one of us faces a certain risk. There has not been an accident in a nuclear power plant in the world.

Mr. Sargent: That's why you made a $1 million mistake on Douglas Point. A $1 million mistake. Supposing something happens?

Hon. Mr. McKeough: We believe the Candu system is safe; we believe the systems everywhere in the world are safe; the American system and the British systems. We happen to believe and, I think, with some confidence that the Candu system happens to be safer than any other. But there is always the probability, remote as it may be, that there will at some point in time be an accident which may cause damage. I don't deny that. But I think, as I said, when we leave here—

Mr. Sargent: Not an insurance company in North America will insure you against nuclear power damage at Pickering.

Hon. Mr. McKeough: —and go down University Ave., there is a much better probability that we will be run over by a car or a motorcycle or a bicycle or by another pedestrian than there is of a probability of an accident at Pickering or at Bruce. Nothing is certain. I am going to be the last one to stand here in my place and say that we have a failsafe, a failsure system at Pickering or at Bruce or at anywhere else. We are making them as safe as they can be made and they are rigorously inspected.

With respect to the other sources of power which the member mentioned and the state of technology, with the greatest of respect, I am not an expert in any of these fields. I appreciate that the member has done a great deal of work for which I commend him. He is particularly keen on a conference at Sherbrooke.

Mr. Sargent: Why did you laugh him down two weeks ago then?

Hon. Mr. McKeough: I would think it would be fair to say that there are two or three invitations a day to conferences of one sort or another pertaining to energy which come into either my office or the deputy's office. Really it can be said since we have started the ministry that I don't suppose we have attended, other than here in Toronto and other as active participants, more than half a dozen conferences, nor do we plan to in the future. We are not going to Sherbrooke. We are not going to a dozen other places where people who have a genuine interest in a particular kind of energy development are promoting a certain idea. We will continue to read technical journals, newspapers and whatever we have time to get our hands on and monitor the various developments in the whole energy field.

Mr. Sargent: He is a one-energy minister.

Hon. Mr. McKeough: The member mentioned at the beginning a very interesting figure. He said that the council which was interested in solar energy suggested that the United States embark on a $4 billion programme for 15 years to bring solar energy to a state presumably of commercial production. They've spent nothing like that. I doubt whether the total nuclear programme to date in Canada, up until this point, would come to $4 billion.

Mr. Sargent: It is $3.5 billion.

Hon. Mr. McKeough: It'll be double or triple that I suppose in the next five or 10 years.

Mr. Burr: In Canada or in Ontario?

Hon. Mr. McKeough: To bring the nuclear programme to the stage we are at now cost $2 billion. Would that be a safe figure? I suppose with the heavy water plant in round figures it would be $1.5 billion to $2 billion.

Mr. Lewis: How come there are no heads nodding over there?

Hon. Mr. McKeough: The resources of this country have been completely committed to a brand of nuclear reactor, and we have had a very high degree of success. I don't think in all conscience that the country, and I am not talking about Ontario, on a grand scale can commit the amount of money which the member is really talking about to something which is as unproven as wind power or geothermal power or solar power.

The one area in which we are doing something in a small way today and in which the Ministry of the Environment is participating is power from garbage. We are doing something about that, and we'll continue to do something about that. When the day comes when the experts, not in Ontario but in Canada, see some need for us to move into some of the other forms of power, then I think we'll move and when there is some chance of success.

Mr. Sargent: But you are committed to $8 billion. How can you change from that?

Hon. Mr. McKeough: We are committed to a very successful nuclear programme. The member says that I am Mr. Unclean Energy. Well, fine and dandy. If we start it tomorrow, the amount of power which would be generated in the next 20 years from wind power or solar power or geothermal power would be small. There is none of that in Ontario. We don't have the sun in Ontario or in Canada. We have about one-third of the sunlight here that they do in Arizona, which is one of the places they are working on it. But we don't have the winds, I'm told, and we've discussed that subject before. It is not practical, it is not economical, it is unproven.

You have your opinion, I have mine. I can only rely on the advice of my experts. I am not an expert in wind energy or solar energy, and I simply say that in the view of the government of Canada, in the view of Ontario Hydro, who have been in this for some time, and in the view of the very limited number of advisers who are presently advising me, we have our hands full and we would be well advised not to go off on any chases for a new form of energy, or forms of energy, at this point. Even if we did tomorrow and committed massive sums of money, we wouldn't change that 80 per cent figure in the next 20 years. We wouldn't change it.

Mr. Burr: Mr. Chairman, I wish I could remember all those points that the minister made that should be answered. One of them is that which I read out just a few minutes ago. The wind engineer has conceptualized a plan for supplying Long Island with wind energy conversion power, electricity, by the year 1977. This would take four years to achieve. And up at Goderich you have a similar situation. You plan—

Hon. Mr. McKeough: I'm sorry, I missed it. This is a conceptual plan for Long Island Sound?

Mr. Burr: Yes. He says four years. And up at Goderich—

Hon. Mr. McKeough: You really think it is going to happen?

Mr. Burr: Not unless somebody gets behind it.

Hon. Mr. McKeough: Do you not think that it would be a much more logical place for it to happen, with the pollution problems, the energy problems, if it's going to happen anywhere, in New York City, than it would here, let alone at Goderich?

Mr. Burr: Well, sure. I would hope it would happen in several places. But you say $4 billion over 15 years. That was for the recommendation from the solar energy panel for all the various kinds of energy.

I'm not suggesting that Ontario should launch a similar programme. But what Ontario should do, in my opinion, is consult with the other provinces and the federal government and decide what share the provinces should have in exploring this. For example, British Columbia or Nova Scotia could work on ocean temperature differences; either one of them, possibly both, but you would have a duplication of effort. New Brunswick could work on tidal power, with government help from Ottawa, of course. We in Ontario have been told—I wrote it to you in a letter—that Lake Huron has a very good source of wind, and Georgian Bay, and continuing on across through Labrador and Newfoundland. There's a very good source of wind there. A reliable source.

I don't want to take too much of the members' time, but I would like the minister, Mr. Chairman, to give me his comments on each of the three reasons I intend to give for putting an end to nuclear fission power plant programmes. I don't admit, but I concede that the Candu system is operationally pretty safe. I'm not raising any objection there. Possibly I should, but I'm not. I'm conceding that the Candu system is best. I'm taking your word for it partly.

But these are the three reasons why I think that we should not continue to expand the system. The first reason is a moral one. Nuclear fission power requires uranium. Uranium mining condemns many of the unfortunates who are employed in it to a premature and painful death.

Mr. Lewis: That's a serious matter.

Mr. Burr: And it's a moral matter.

Mr. Lewis: And which the Minister of Natural Resources has not yet grasped.

Mr. Burr: And many of those who do not die, are so disabled that they can find employment in no other type of mining. In fact, they have difficulty in finding employment in any other field.

Mr. Lewis: They are unemployable.

Mr. Burr: They are virtually unemployable.

Mr. Lewis: Sure. Definitely.

Mr. Burr: The sad plight of the Elliot Lake miners is currently in the news. I

needn't repeat the details, which can be found in the Globe and Mail and Toronto Star of Tuesday, April 23. Yet early deaths among uranium miners have been common for many decades in Bohemia, which is now Czechoslovakia. In the 19th century, there was a survey that found 65 per cent of the miners dying of cancer, yet the mines continued to operate. By 1939, 90 per cent of the miners there were dying of what was euphemistically called lung involvement.

Why should the miners of Elliot Lake commit slow suicide to fill orders of uranium to be exported to Japan? Or are their deaths any easier to contemplate if the uranium is used at Pickering or Douglas Point? This one reason alone should be sufficient to persuade the government of Ontario to go no further with nuclear fission. This reason is a moral and a compassionate one, and only those who lack morals and compassion can reject this reason.

The second reason is also moral. Have we any right, any moral justification, to bequeath to all posterity the awesome responsibility of isolating from our environment the filthy radioactive waste of the atomic power plants? I quoted several famous scientists in my Throne debate speech of March 25 and 28 and I shall not labour the point. But this one reason by itself should inspire all moral men and women to seek out at all costs, alternative methods of producing electricity, so that this horrendous legacy of nuclear dynamite will not plague every succeeding generation of our heirs.

The third reason is not just moral. It is pragmatic. It's based on the instinct for survival. I refer to the very real possibility that the daily increasing stockpiles of nuclear fission material may be used by men of ill will to blackmail, intimidate or conquer or even destroy governments and societies by the threat of unthinkable nuclear destruction.

We all know that there are enough atomic bombs in the hands of the military men to obliterate civilization and make the earth uninhabitable for any fortunate or unfortunate survivors. Yet we have all put this thought out of our minds as being unthinkable. Probably if I asked whether any members had thought of this in the last year, no one would acknowledge having done so. Yet only occasionally are we reminded of this threat—for example, when some question is raised about the efforts of the military to keep the location of these military bombs secret.

Nevertheless, in the meantime governments all over the world are building atomic bombs openly and with great publicity, apparently assuming that being used for peaceful purposes—I refer to the nuclear power plants, of course—they will never be exploded by accidents or by sabotage or by deliberate enemy intervention or by terrorist action or by any act of God.

This third reason keeps many nuclear scientists awake at night, knowing as they do that they have been partly responsible for unwittingly jeopardizing the lives of hundreds of thousands, perhaps millions of human beings.

As month after month passes, and the various forms of human madness seem to multiply; as Palestinian terrorists blow themselves up with dynamite after slaughtering a handful of so-called enemies; as airplane hijackers threaten to crash their planes into nuclear reactors; as mentally disturbed pilots attempt to dive-bomb the White House—as all these evidences of human dementia are revealed in increasing numbers, it becomes almost inevitable that sooner or later one or more of our peaceful atom bombs, which we call nuclear power plants—one might call them sitting ducks—will be exploded with catastrophic results.

Any one of these three reasons would be enough to persuade most sane persons that no more nuclear power plants should be built.

In the last two years or so, the political decision to abandon nuclear fission has become an easy one to make, because the alternative forms of energy have been shown to be feasible even with existing technology. With a fraction of the money that has been devoted to nuclear research and development diverted into research and development for the various forms of solar energy, all our energy problems can be solved with ease, with speed, with greater economy and with complete safety to us all.

I believe it was the Nobal laureate, Sir George Porter, who said recently that if a thousandth of the money spent on nuclear research and development had been spent on solar energy, our energy problems would have been solved by now.

Those are my three reasons, Mr. Chairman, and I would appreciate the minister's three comments.

Hon. Mr. McKeough: Well, Mr. Chairman, some part of what the member has said, as it has been pointed out to me—and I don't mean this facetiously—really was debated and settled during the Second World War. It may not have been done well, we may regret the decision, but that decision was taken some

30 years ago. The decision was to proceed with the bomb. And to some extent the member is still debating those very decisions.

The member has listed all the things that terrorists can do in this world today.

Mr. Burr: They can't do them to solar energy power plants.

Hon. Mr. McKeough: He has mentioned that they can use dynamite to blow up a plane. Well, do we go back to banning dynamite? Or because a 747 is bigger than a DC-10, do we not have 747s?

Mr. Burr: That is irrelevant.

Hon. Mr. McKeough: Well, I am sorry; then. I have missed the member's point. I admit that a nuclear plant presents a temptation to a terrorist, I suppose. So does a stick of dynamite. So does a gun. So do hunting rifles. So do shotgun shells. Where would the member draw a line? I suppose at some point a bow and arrow also was a temptation.

Mr. Burr: I must be stupid.

Mr. Sargent: It is mass contamination he is talking about.

Hon. Mr. McKeough: No, we are talking about the member's third point. I am afraid the member for Grey-Bruce wasn't listening.

Mr. Lewis: Yes, but there is a collective difference between a shotgun and a nuclear plant. I mean, it is generally discernible to be different.

Mr. Burr: Has the minister heard of Hiroshima?

Hon. Mr. McKeough: Yes, very definitely.

Mr. Burr: Well, that is what I am talking about.

Hon. Mr. McKeough: Right. And people agonized before—

Mr. Sargent: At Douglas Point there are 10 of those bombs there.

Hon. Mr. McKeough: I am sorry. I can't go back that far. People agonized as to whether that bomb would go off or not. People agonized—

Mr. Lewis: Who agonized? The minister will notice they dropped it on Japan. There was no agony involved in it. It was madness, psychopathic madness, which is as much in evidence today as it was then. Don't talk about agonizing over the bomb. It was Harry Truman's exercise.

Mr. Burr: Is that the end of the minister's answer?

Hon. Mr. McKeough: I just don't think we are on the same wavelength. The member's leader is not prepared to admit that Mr. Truman and others, as I have read history, agonized over what—

Mr. Lewis: Agonized? He positively enjoyed it. He didn't agonize over it.

Hon. Mr. McKeough: —agonized as to whether the bomb would be made and dropped, or whether it was better to let men go on dying in other ways—

Mr. Sargent: What a bunch of nonsense.

Hon. Mr. McKeough: —whether to bring an end to war quickly and abruptly, which it did, at great cost of human life, or whether to string the war out. Now that was a moral question.

Mr. Lewis: He was experimenting. There was no moral question for him.

Hon. Mr. McKeough: Well, the member has his opinion, and I am afraid I have mine.

Mr. Lewis: I appreciate that. Okay.

Hon. Mr. McKeough: I'm afraid I can't agree.

As for the other points that the member raises, I think that to some extent there are no answers to the questions that he has raised. The question of mine safety obviously is of concern and is of concern to others in this government. Safety in any mine is something which has to be of concern at all times. Whether it is being looked after properly or not is not necessarily the criterion of whether it is mined or not.

We are bringing uranium out of the mines. And I have heard from members opposite that there are problems at Sudbury, where there is no uranium being looked for. Does that mean we stop looking for nickel? I don't think so. I think we improve the safety practices if there are deficiencies in the safety practices. I don't think we simply say this is a moral problem and we are not going to look for uranium any longer.

On the second point, regarding waste, the member would say that we should look at the alternative costs of energy from other sources. I think we also have to look at—and they are being well looked at—better

and alternative ways of either getting rid of the waste or doing something with the waste. The member is aware of the research that is going on in that area.

Mr. W. Hodgson (York North): Get all those windmills going, Darcy.

Hon. Mr. McKeough: But I don't accept—

Mr. Lewis: The member for Sandwich-Riverside is a man ahead of his time; that is the problem with him.

Hon. Mr. McKeough: I don't accept that these are moral questions and that the member is moral and I am not. I am sorry I can't accept that.

Mr. Burr: Mr. Chairman, may I just try to make myself clear? I am sorry I haven't been able to do it before.

We hear every week or so about the large number of atomic power plants that are going to dot the landscape between now and the year 2020. According to the projections, they are going to be all over the place. And through some kind of human activity or possibly even an earthquake, but through some kind of acccident—and I have outlined the various kinds of accidents: intentional, deliberate, paranoic and so on that may happen—any one of those plants could contaminate thousands of square miles of soil that would not be able to produce food for long periods of time, could kill large numbers of people immediately, as the atom bomb did in Japan, and could mean slow death for those who were not killed immediately.

I don't know why the minister goes back to the atomic bomb for military purposes. Most of us say, "Well, there is nothing we can do about that. If some madman in the Kremlin or the White House pushes a button, we may all go. That is too horrible to contemplate." So most of us, I think, put it out of our minds. Doesn't the minister put that out of his mind?

Hon. Mr. McKeough: I think it is a possibility.

Mr. Burr: But he doesn't think about it more than once a year or so, does he? He doesn't live with it every day?

Hon. Mr. McKeough: I don't live with the possibility of being hit by a car when I leave here tonight.

Mr. Burr: Of course not. Neither do I. But here is a peaceful use of nuclear energy, and we are putting ourselves in the same position. We are setting bombs all over the earth, and sooner or later one or more is going to be exploded, with dire consequences.

As I have tried to make clear, up until two or three years ago I was resigned to this situation because I didn't realize that these other forms of energy were feasible, but in the last couple of years they have been found and demonstrated to be feasible. Here is one example which I have drawn to the minister's attention—the solar energy panel's report. Therefore, it isn't necessary for us to take all these risks and subject all of our neighbours and all of our fellow countrymen to the risks. Therefore, instead of continuing to increase the risks, why not stop the risk now and phase out the plants over the years—live with the present risks, phase them out and bring in these new clean kinds of energy?

There is another advantage to this, Mr. Chairman. Almost any scientist will tell you that 50 to 60 years from now using solar energy is what you are all going to be doing, so why not get at it now instead of waiting until we are pushed into it? We are going to remove one of the sources of friction in international affairs. I think the minister will agree that last winter many of us were afraid that a war might break out because of the conflict over energy supplies. In fact, Mr. Kissinger or Mr. Nixon came pretty close to making a threat against the Arabs.

Let every country develop solar energy and if the sun shines on the country it has the energy. All it needs is the technology. Then we are taking a giant step toward peace. I think that you, the minister in Ontario, should be doing something to encourage this new clean form of energy. You should be taking the lead with other provinces, with the universities, with the National Research Council, and showing a little leadership.

Mr. Chairman, I see the minister isn't even listening to me now so I will reserve my questions for a more favourable time.

Mr. Chairman: The hon. member for Huron.

Mr. Riddell: Yes, Mr. Chairman. To deal more specifically with the votes. First of all vote 1801. In view of the fact that it is a new ministry we are dealing with, we are going to have to know just what staff you do have to assist in your responsibilities. It would be interesting to know what the back-

ground or the training of some of the staff has. Do you feel that you are operating with an adequate staff now or do you anticipate additional staff by this time next year?

In connection with the second vote, I was just wondering what your policy is on further nuclear development. In other words, is it absolutely necessary in your mind to spend an additional $8 billion on further nuclear development? I trust that this proposal is made because the assumption was that the demand was going to double over the next 10 years. On what did Hydro base this particular assumption?

Finally, do you feel, yourself, that it is worth sacrificing the bean industry in Huron county, to which I made reference in my county, in which I made reference to in my opening comments, for excess electrical power from a plant that is established in the heart of white bean country?

Hon. Mr. McKeough: I'll deal with the last question first. Obviously the bean industry is not going to be sacrificed in Huron country or anyplace else. Before Hydro builds that plant, if it is to be built there or anyplace else, there will be a full environmental impact study, and whether the beans live or don't live is going to be taken into that study. Obviously I don't agree that it is worth damaging the bean industry to that extent.

The member asked about the kind of staff we have within the ministry, and, dealing with the ministry and the Energy Board totally, we have an approved complement of 63. We presently have about 58 on staff. That's not quite a complete comparison. There are probably about 10 more to be recruited to come up to complement between the board and the staff we think is needed.

The background of the ministry is divided into four sections, plus the board. The policy analysis and development group; information and strategic analysis group; energy technology group, and the regulatory affairs group. The background of the various people; engineers; chemical engineers; economists; people, I think, of whom the majority have come from outside government rather than from inside. I'm now talking about the professionals. What other skills after these do we have particularly—lawyers obviously. I can give you the breakdown but I think that pretty well covers it.

Mr. Sargent: Mr. Chairman.

Mr. Chairman: The member for Grey-Bruce.

Hon. Mr. McKeough: I'm sorry. The member asked another question about the nuclear programme. Hydro's present policy is that 65 per cent of expansion in the future will be nuclear. He asked why we were doubling in the next 10 years. Basically, that's predicated on historic trends, on the experience of the last 10 years. Whether that's too high or too low is one of the matters which is being reviewed by the Ontario Energy Board and on which it will report in due course. But, on the basis of historic trends and on the basis of population projection, growth and energy demands, that's Hydro's best estimate. It will be revised from time to time.

Mr. Sargent: Mr. Chairman, to deal more specifically with the vote, last year on this vote we spent $228,700. This year we're asked to spend on this segment of the vote, the first vote, $2,299,000.

The first vote is $391,000 for ministry administration. I anticipate there will be some legal costs in there, and the first name that comes into my mind is one of Robert Macaulay. How much has he been paid to date, Mr. Minister?

Mr. Stokes: Seventy-five bucks an hour.

Hon. Mr. McKeough: The firm of Thomson Rogers involves more than just Mr. Macaulay. Since the formation of the ministry to the end of the fiscal year, Mr. Macaulay's firm, Thomson Rogers, has been engaged by the ministry. They were engaged previously, when I was provincial secretary, and have been used as counsel before the Ontario Energy Board, more latterly in the Hydro hearings, and, I think, to date that firm has been paid roughly, to the end of the year, about $170,000.

Mr. Sargent: One hundred and seventy thousand dollars for Mr. Macaulay at $75 an hour. That is almost your total budget for the whole organization last year, paid to Mr. Macaulay and his friends at the rate of $75 an hour.

Mr. Chairman, this minister was an alderman in Chatham, he's been the Minister of Municipal Affairs, he's been the provincial Treasurer, and everything he has touched has been complete chaos. Now here we have him in charge of the most dynamic and dangerous operation in our whole economy and he has the audacity to hire a man at the rate of $75 an hour, paying that firm $170,000 since last fall. This is nothing short of verging on scandal and I think it's time we had

a royal commission inquiry into what the hell is going on here.

Mr. Lewis: I'm not a fan of Bob Macaulay but that was some of the best money we have ever paid a lawyer. He's done a nice job at those hearings.

Mr. Sargent: I don't care how you measure a nice job. The whole thrust of this Energy Board makes me sick to my stomach. They are committed to $8 billion—that's eight thousand million dollars—and we don't know how much of the total power load you are going to come up with. Tell me that right now, will you? How much of the total power load do you hope to handle within the next five years in nuclear power?

Hon. Mr. McKeough: The present planning, as I just indicated to the member for Huron, is that for the next 10 years the total programme of Hydro will be about 65 per cent nuclear.

Mr. Sargent: I doubt that very much because I was told a while ago that it was going to be two per cent and it was upgraded to eight per cent. Now you've got it up to 65 per cent. I doubt that very much. However, we'll go along from there.

Hon. Mr. McKeough: Perhaps I should explain to the member that when Douglas Point was operating alone it was roughly two percent of the electricity which is being produced in the province. With Pickering now on stream about 15 per cent of the power in the province is being produced from nuclear sources.

Mr. Sargent: Will be when?

Hon. Mr. McKeough: Is now—15 per cent. The future planning is that the total load will be about 65 per cent nuclear. It's obviously going to take some years to reach that.

Mr. Sargent: Well, Mr. Chairman, the matter of concern I have is that we have in this province Ontario Hydro, which is an immense energy conversion and distribution system. It has a capital investment of approximately $6.5 billion in its plant. Each individual customer in Ontario considers himself to be very important in the ownership of that deal.

I hope that you will follow me when I ask you this, that you are quoted as saying that in giving your friends in the private sector a piece of the action—in your words; you are quoted in the Toronto Star—you say it's good Tory philosophy. I suggest to you it is a drunken spending spree that we are now engaged in. You say in another quote: "Although we are not broke, our credit is going to be drained." You are quoted as saying we are not broke—the Province of Ontario—but our credit is going to be drained. So your offshoot is that you are going to divide up some of the cost to the private sector.

Now, I'd like to ask you this, sir. In the consortium that you are having secret negotiations with at this time, the ongoing secret negotiations—and my friend, the Chairman of the Management Board, hasn't got the intelligence to listen when I'm talking about how important this is—

Hon. Mr. Winkler: I wish you had said something intelligent—that's what I'd like to hear.

Mr. Sargent: Well, you listen for a moment because you should know something about this.

Hon. Mr. Winkler: I have listened quite a while, and haven't heard anything yet.

Mr. Sargent: If you are going to give this to some secret consortium, you name me one parcel of the consortium that is a Canadian company—name me one that you are discussing with now. I suggest to you they are all American-controlled corporations. So we have in effect, Mr. Chairman, a very dangerous situation—Ontario Hydro, owned by the people, now with American control taking over our hydro. I think it's time that you tell us exactly what's going on here right now.

Hon. Mr. McKeough: Well Mr. Chairman, the member is referring to an article in the Toronto Star. He is referring to a proposal which was made by me in terms of heavy water, going back to last August or September at the Exhibition, where we indicated at that time that we thought there was room for private-sector involvement in the production of heavy water.

Shortly after that we were informed by the federal government, who had supplied heavy water or who had undertaken the responsibility for heavy water up until that point, that having built or financed the two plants at Douglas Point, they would not build any more heavy water plants. More than that, if Ontario needed heavy water and Canada had it available, Ontario would be the lowest priority on the list; they would look after their own needs and the needs of other provinces, and if there was anything left over

after export sales, Ontario then might get some heavy water.

It became very evident at that point that we were going to have to move, and very quickly to build our own heavy water supply.

It seems to me there were two considerations to take into account. We were talking about a technology which might, and in my view will, have a commercial acceptance in the world. It was desirable to encourage the private sector involvement in it and therefore early in January we asked for proposals from the private sector on the building of either the six or the four plants at Bruce. I think there were finally five proposals. The proposals went out to some 40 or 50 firms in Ontario and Canada, whoever was interested.

Hydro had discussions with a great number of them as I understand it—I haven't seen the final report—and proposals, as I understand it, have been received from five. Discussions are going on with those five groups and no decision has been reached. Ultimately, Hydro will come to a conclusion as to whether one or any of them will best meet the objectives of Hydro. If they don't Hydro will proceed on its own.

My friend from York South is still here and I would ask him to remember that there was a day when Ontario Hydro built every dam in this province. At about the point when dams weren't being built quite as often in this province, Hydro, in effect, got out of that business. I doubt whether today Hydro, on its own without the advice of consultants, could build a dam. That makes a great deal of sense because the day of dam building is practically over or there are certainly going to be peaks and valleys in it.

What happened when that expertise moved out into the private sector, and it did, is we have Canadian firms today building hydro-electric power dams, really, all over the world. The genesis of that was in Ontario Hydro. It moved out into the private sector—to Acres, Montreal Engineering and other firms and Canadian firms have built dams in India—all over. I think that's been a good thing for Canada and a good spin-off from some very fine work which was done in the earlier days by Ontario Hydro.

Mr. Cassidy: But you are giving ownership of the heavy water plant away.

Hon. Mr. McKeough: Quite frankly, we have enough confidence in the Candu system to believe that Candu will achieve recognition in the world and that there will be sales made by AECL and by Ontario Hydro. If that happens there will be a much greater need for heavy water than from simply the heavy water plants which are being built for Ontario's needs in the foreseeable future.

If that is the case, I don't think Ontario Hydro will be in a position to build heavy water plants or to promote the technology. We would hope that the Canadian private sector would be in a position to take advantage of those sales around the world. In a small way we are attempting to move that technology out into the private sector.

I've said there are two principle objectives which, hopefully, will be achieved. If they are not it will not proceed and Hydro will presumably do it itself.

I have said that Hydro is not going broke, that may not be the best terms to use, but $600 million—and I think that is the figure for the remaining four plants—is not going to make or break Hydro over the next four or five years. Obviously, $600 million off the required borrowing of Ontario Hydro is a significant sum. With the money that Hydro has to borrow with the guarantee of the province over the next 10 or 15 years, it is not too soon to be taking a look at whether it needs to do all the capital works itself or whether some of them cannot be done in the private sector at a saving, and not at the credit of the province. If that can be done, good.

Much more important, in my view, is to try to take advantage of some of that technology, to use it and to export it into the world. Hydro can collect the royalty in so doing; and if AECL can collect a royalty or a patent, fine and dandy.

Mr. MacDonald: Are they going to?

Hon. Mr. McKeough: If we build up Canadian manufacturing expertise, build up Canadian technological skills and then step out into the world with it—if we can do that, I think we will have done as much as was done when the whole hydro-electric dam-building capability moved out into the private sector. I suggest Canada and Ontario have profited from that since that expertise has been in the private sector and not in the public sector.

I can't conceive of Hydro itself going into the business of exporting power, for example, as a deliberate thing, or of exporting out of Ontario heavy water as a deliberate thing. If we have heavy water in surplus, fine, it'll be sold; but if that job is to be done, done in Canada, or done in Ontario, I think probably it needs to be done by the private sector. But

I make it very clear, there are no secret negotiations. Proposals were called—

Mr. Sargent: Who are the five firms Hydro is dealing with then?

Hon. Mr. McKeough: The five? I don't know who they are. I have not had a report from Hydro, nor do I propose to until they have come to their conclusions. But they are—

Mr. Sargent: In other words, the minister is going to make a deal before the House knows about it—with the facts confirmed?

Mr. Chairman: Order, please. Can we make this two votes?

Mr. Sargent: Oh, one second, Mr. Chairman. I want this question answered.

Mr. Chairman: Well, it is nearly 10:30.

Hon. Mr. McKeough: There are proposals which have been received from Ontario Hydro.

Mr. Sargent: It would be a fait accompli.

Hon. Mr. McKeough: Ontario Hydro is considering those proposals. I imagine they'll be considering them for some little time; and when they have reached a conclusion they will come to their decision.

Hon. Mr. Winkler moves the committee rise and report progress and ask for leave to sit again.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report progress and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, before I move the adjournment of the House, I would like to say that tomorrow we will continue with the estimates of the Ministry of Energy. If we were to conclude that consideration, we would proceed to item No. 8, Bill 25.

Mr. S. Lewis (Scarborough West): I think the minister is safe to stop there.

Hon. Mr. Winkler: No, I won't, because I will say that on Monday if we don't reach these items tomorrow, we'll continue on this routine on Monday and Tuesday. Following that, will be item No. 26, Bill 22, and then there is some urgency in regard to item No. 9, Bill 31, which somewhere up until the 6 o'clock hour of Tuesday, I will call in advance. Of course, the House will not sit on Tuesday evening.

Mr. B. Newman (Windsor-Walkerville): Will it sit Monday night?

Mr. J. E. Stokes (Thunder Bay): Yes.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 o'clock, p.m.

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Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Friday, April 26, 1974

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, APRIL 26, 1974

The House met at 10 o'clock, a.m.

Prayers.

Mr. Speaker: I should like to inform the hon. members that today we are honoured with a very special guest in the Speaker's gallery—Sir Alan R. Fletcher, Minister of Education and Cultural Affairs for Queensland, Australia, accompanied by Mr. A. E. Guymer, Director General of Education, and Mr. K. B. George, his private secretary. I am sure we want to extend a really sincere welcome to them.

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, also in your gallery we have another very distinguished visitor to the Province of Ontario, in the person of the Hon. Real Lima Patino who is the Minister of Mines and Metallurgy for the country of Bolivia.

Mr. D. C. MacDonald (York South): Can we welcome back the provincial Treasurer (Mr. White) too? As a visitor? I never saw him speechless before.

Mr. S. Lewis (Scarborough West): But it is a pleasure.

Mr. Speaker: Statements by the ministry.

HOME PLAN PRICES

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, I wish at this time to inform the hon. members of a basic policy change concerning the establishment of construction price levels for houses built on leased lots provided by Ontario Housing Corp. under the Home Ownership Made Easy plan.

One of the basic concepts of the programme is that house prices should not exceed certain levels. The original price limit in 1967 was $15,000, and last year prices peaked at $21,000 for a five-bedroom bungalow in Malvern.

Due to the construction cost price spiral, however, we have now reached the stage where our fixed price policy has been rendered ineffective, to the point where it is no longer serving the lot lease programme or the public.

Faced with rising prices, fewer and fewer builders last year participated in the land lease programme. In some locations OHC got no response to its calls while in others it was fortunate to get one viable proposal.

Mr. E. Sargent (Grey-Bruce): That shows how effective the minister is.

Hon. Mr. Handleman: In order to revive builder interest in the lot lease programme, while retaining its basic objective of making home ownership available to moderate-income families, a more flexible approach toward building price limitations has been adopted.

When OHC is prepared to offer serviced building lots in a municipality, it will establish target prices for basic, no-frill houses. These prices will be based on current appraised building costs in the municipality and therefore may vary from location to location.

Mr. I. Deans (Wentworth): That was the minister's mistake with land, by the way. He shouldn't make the same mistake again.

Mr. Speaker: Order.

Hon. Mr. Handleman: Builders will be invited to submit their best prices in relation to the target levels—

Mr. J. A. Renwick (Riverdale): They'll be the best for them.

Hon. Mr. Handleman: —This means that some prices may be right at these levels, while others may be above or below the target levels.

Proposals will be judged in terms of four basic considerations: architectural merit, value, price levels, and the relationship to the income range that OHC is attempting to serve with this programme. The point rating system, which is used to evaluate builders' submissions, will therefore give greater weight to those proposals containing prices below the target levels and to those proposals with prices that will serve a variety of income levels within OHC's range.

OHC plans to market some 6,000 serviced building lots this year, and we are confident this new and flexible price policy will enable the building industry to respond in a positive manner and produce the houses so desperately needed.

Mr. Lewis: So what is 6,000?

Mr. Deans: Is that the extent of OHC's involvement this year?

Mr. Renwick: Boy, that's massive. If ever there was a massive programme, that's it.

Hon. Mr. Handleman: Mortgage financing for this housing will be available through Housing Corp. Ltd. on a five-year term, amortized over 35 years at 8.75 per cent interest.

Mr. Lewis: This is the first concrete thing the hon. member has done as Minister of Housing. He is announcing an increase in the cost.

Interjections by hon. members.

Mr. Lewis: The first thing he has done since he became minister is to increase the cost of housing on OHC land. That's some record since Feb. 26!

Mr. Speaker: Order, please. Order.

An hon. member: Why don't the members opposite listen to the minister?

Mr. Renwick: The minister needs an accountant. That is massive housing.

Mr. Speaker: Order, please. Order.

Hon. Mr. Handleman: In order to make the benefits of low-cost housing available to a wider range of families, the upper income limit for single-income families has been increased to $14,500.

Mr. Lewis: Two months today the hon. member has been minister, and this is his first statement.

Hon. Mr. Handleman: The limit for two-income families has been set at $17,000 and when determining the eligibility for such families, 100 per cent of both incomes will be included in the calculations.

Mr. Lewis: Mr. Speaker, because I was barracking the minister I missed his last sentence. Did he say—

Interjections by hon. members.

Mr. Lewis: Well, on a point of order, I admit it in advance. Did the minister say the minimum income was $17,000?

Hon. Mr. Handleman: No. The upper income limit for single-income families has been increased from $12,500 to $14,500, making more people eligible. The limit for two-income families has been set at $17,000; however, when determining the eligibility for such families, 100 per cent of both incomes will be included in the calculations.

Mr. Deans: What about the people earning $8,000? What is the minister doing about them?

Mr. MacDonald: It is what is known as upward flexibility?

BURNING OF WILDERNESS CABINS

Hon. Mr. Bernier: Mr. Speaker, I wish to correct a statement I made in the Legislature yesterday concerning the illegal occupation of Crown land by a Mr. Dennis Hobischuck.

Mr. Lewis: Ah ha.

Mr. J. E. Stokes (Thunder Bay): The member for Port Arthur (Mr. Foulds) was right.

Hon. Mr. Bernier: Information has come to my attention this morning that the building in question, which was to have been removed from Crown land by officials of my ministry, was not dismantled prior to clearing the site.

It appears that a judgement was made that removal of the building was impractical due to distance and the cost of returning the materials for public sale. After the removal of personal effects, the building was destroyed by fire.

Mr. MacDonald: Legalized arson.

Hon. Mr. Bernier: While it is the policy of my ministry not to destroy a habitable building by fire, at the same time we cannot permit the deliberate construction on public lands of private dwellings contrary to the public interest.

Mr. Lewis: The Minister of Energy (Mr. McKeough) practises theft. This minister practises arson. What is left to those people over there?

Hon. Mr. Bernier: A directive has been sent from my office to all field staff to ensure that this policy is rigidly adhered to.

Mr. M. Shulman (High Park): Don't burn down any more houses.

Mr. Renwick: That is a wonderful Friday morning statement.

Mr. Lewis: The ministers are certainly doing well this morning.

Hon. Mr. Handleman: Mr. Speaker—

Mr. Lewis: Another announcement?

Mr. Renwick: What is the minister going to put to the torch this weekend?

Interjections by hon. members.

Mr. Speaker: Order, please. Order.

RURAL SHOPPING CENTRES

Hon. Mr. Handleman: Mr. Speaker, on Feb. 4, 1974, in an address to the Ontario Association of Rural Municipalities in Hamilton, the hon. Treasurer outlined this government's growing concern over the trend to locate major shopping facilities in rural areas of our province.

Mr. E. W. Martel (Sudbury East): That's all it is—a concern.

Mr. MacDonald: He's concerned all right.

Mr. Stokes: He's going too.

Hon. Mr. Handleman: He indicated that the lack of adequate land-use controls in many rural townships has permitted the construction of certain shopping centres within these areas.

The lack of zoning allows such development to occur simply upon the issuance of a building permit—

Mr. Shulman: Burn them down.

Hon. Mr. Handleman: —without any investigation of the potential impact that such a centre would have. Without any zoning, a municipality cannot refuse a building permit even if it were inclined to do so.

I am sure all members are aware that a large-scale shopping centre can affect a very wide area and therefore its impact should be carefully investigated before such development is allowed to proceed.

Mr. Renwick: That's what I have been saying about Riverdale riding.

Hon. Mr. Handleman: In the last year, a number of permits were granted for these shopping centres in direct conflict with this government's policy, as well as being contrary to the provisions contained within local official plans.

It appears that a number of shopping centre developers have adopted a policy of seeking out those townships lacking adequate zoning controls, which are adjacent to small and medium-sized towns.

It has become apparent that it is necessary to introduce special measures to overcome this problem. This government is convinced that the proper agency to introduce these controls is the municipal council, and my staff in the past has spent a great deal of time trying to persuade rural councils to carry out this responsibility.

Although we have had a great deal of success in this programme, as can be witnessed by the great number of municipalities that have introduced planning measures, we have found it necessary to impose minister's zoning orders on a number of municipalities over the last year.

Such orders, as you will recall Mr. Speaker, have been placed on the townships of Chatham, Raleigh, Harwich, Blandford, East Zorra, Vespra, North Monaghan, Goderich, Colborne and recently in Mono township. Also, three former townships in the new city of Timmins have been covered.

In these cases, we became aware of potential shopping centres because of information provided to us by the adjacent town or by the municipality itself. But in several of these cases a building permit had already been issued prior to our order coming into effect.

In recognition of this problem, my colleague, the Treasurer of Ontario, wrote to 70 municipalities in December, 1973, indicating our concerns about the lack of controls and informing these municipalities that the approval of shopping centres in rural municipalities could prejudice the long-range planning goals of the adjoining urban municipalities.

In February of this year, after this matter had become the responsibility of the Ministry of Housing, my predecessor in this portfolio (Mr. Welch)—

Mr. T. P. Reid (Rainy River): How long was he the minister's predecessor?

Hon. Mr. Handleman: —again wrote to the majority of these municipalities requesting a report on the action taken by councils since receipt of the Treasurer's letter.

Mr. Reid: He wasn't in there long enough to get an answer.

Hon. Mr. Handleman: The response which was received from these municipalities indicated that a few were about to begin planning studies or had been working on such studies for some time. A few municipalities indicated they had already reached the point where adequate local land-use controls had been adopted. The majority of others, however, do not appear to have taken steps to develop an adequate capacity to deal with their planning responsibilities for commercial land use.

Accordingly, in view of the seriousness of this situation and the lack of any significant local response to our requests for action, I have today most reluctantly imposed ministerial zoning orders on 62 municipalities. These controls have the effect of prohibiting only commercial development, except where it is in accordance with an approved official plan. These rural municipalities are listed as an appendage to this statement, which is being distributed.

Mr. Shulman: That means no October election.

Hon. Mr. Handleman: Since this government has always encouraged strong local government, I am loath to take this step.

Mr. Reid: Now he's a comedian as well as a housing minister.

Hon. Mr. Handleman: However, I will assure the councils of the municipalities involved that the orders will be rescinded as soon as proper local land-use controls are developed. In this regard, I am pleased to state that my ministry is prepared to give assistance to those municipalities in the preparation of the appropriate planning measures. This may be in the form of financial assistance for the developing of zoning bylaws or staff assistance actually to prepare these bylaws.

I wish to stress also, Mr. Speaker, that during this period, the plans administration division of my ministry will ensure that applications to amend these orders to permit legitimate commercial operations will be processed as rapidly as possible. Every effort will be made so that those commercial uses which rightly belong in these rural townships will not be delayed in any way.

Mr. Speaker: Oral questions.

The member for Kitchener.

RURAL SHOPPING CENTRES

Mr. J. R. Breithaupt (Kitchener): Thank you, Mr. Speaker. A question of the Minister of Housing following the statement he has just presented to the House.

Can the minister advise if he is prepared to cover all of the financial costs for the zoning bylaws which will now be proceeded with, hopefully as promptly as possible, in these municipalities which are now subject to his order?

Hon. Mr. Handleman: Mr. Speaker, in the statement I indicated we were prepared to offer financial assistance or actually to sit down with staff and help prepare the bylaws. The form of assistance will undoubtedly vary according to the request received from each individual municipality. We are quite prepared to start talking to them on Monday or this afternoon if necessary.

Mr. V. M. Singer (Downsview): A supplementary.

Mr. Reid: A supplementary.

Mr. Speaker: The member for Rainy River.

Mr. Reid: Thank you, Mr. Speaker. May I ask the minister, by way of supplementary, what is the time frame in regard to this ministerial order? Does it have to do with projects that are now under way or will be under way in a short time but where actual construction has not begun?

Hon. Mr. Handleman: No, Mr. Speaker, it's effective from this morning as the filing of the ministerial orders takes place. My understanding is they have been completed at this time; they are indefinite but they have no retroactive application whatsoever.

Mr. Lewis: A supplementary, if I may.

Mr. Speaker: The member for Scarborough West.

Mr. Lewis: Then what the minister is saying is that Multi-Malls, outside Tillsonburg in Elgin township, will not be affected if it proceeds, and that all those who have taken options on land, particularly Multi-Malls, will not be affected in any way; the minister is dealing only with future possibilities. Well, that's some policy.

Hon. Mr. Handleman: Mr. Speaker, what we're saying is that those who have taken building permits quite legally have a legal right to proceed and we had no legal right to do anything about them. That's why we

have taken this order. We had no legal right and we said we didn't.

Mr. Lewis: Of course the minister had a legal right through the Ministry of Transportation and Communications.

Mr. Speaker: The member for Downsview with a supplementary.

Mr. Singer: Mr. Speaker, I wonder if the minister could tell us to what extent, if at all, his ministry is putting official plans on these municipalities on its own initiative? It is obvious that the availability of planning talent and probably the availability of money is almost non-existent in most of these municipalities. Is the minister availing himself of the provisions of the Planning Act which allows the minister to put on official plans?

Hon. Mr. Handleman: Mr. Speaker, we still believe that the official plan initiation should come from the municipality.

Mr. Singer: Oh yes?

Hon. Mr. Handleman: We are prepared to assist in every way we can but I don't believe that my ministry—

Mr. Singer: Now, now!

Hon. Mr. Handleman: —wants to be in the position of imposing plans on a municipality with no consultation at all.

Mrs. M. Campbell (St. George): The minister is kidding!

Interjections by hon. members.

Hon. Mr. Handleman: Yes, that's correct.

Mr. Martel: That's what he has done here.

Mr. R. F. Ruston (Essex-Kent): A supplementary.

Mr. Speaker: The member for Essex-Kent.

Mr. Ruston: Mr. Speaker, a supplementary of the minister.

Interjections by hon. members.

Mr. Speaker: Order, please.

Mr. Ruston: Does this mean he will speed up approval of plans from many municipalities now in his offices?

Mr. Singer: Speed up his office—as he has promised so many times.

Hon. Mr. Handleman: Mr. Speaker, we have been doubling our output over the past two or three months and will continue to increase the rate of approvals.

Interjections by hon. members.

Mr. Speaker: The member for Kitchener.

DISCLOSURE OF MINISTERS' ASSETS

Mr. Breithaupt: Mr. Speaker, a question of the Chairman of the Management Board of Cabinet, in the absence of the Premier (Mr. Davis).

Can the Chairman of the Management Board advise us when the assets of the cabinet ministers who were appointed two months ago will be tabled with the Clerk of the House in accordance with the stated policy of the government?

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): No, I can't give a definite answer but I'll certainly get it for the hon. member.

ROCHDALE COLLEGE

Mr. Breithaupt: A further question of the Minister of Housing, Mr. Speaker: Is the minister aware that Rochdale College is for sale at $8.5 million, although we are told it needs some repairs?

Mr. Lewis: It certainly is not a very good buy.

Interjections by hon. members.

Mr. Breithaupt: Will the minister investigate the possibility at least of taking over that project for possible use as senior citizens' accommodation?

Hon. A. Grossman (Provincial Secretary for Resources Development): The member is kidding?

Mr. Lewis: There is on the walls what is called Tory graffiti.

Hon. Mr. Handleman: Mr. Speaker, no offer has been made to us. If CMHC gains complete occupancy of the building and is prepared to discuss with us its possible conversion I am sure we are prepared to enter into discussions with them, but not until that stage has been reached.

Hon. Mr. Grossman: Only if they get vacant possession.

An hon. member: Right.

Hon. Mr. Grossman: They tried that a couple of years ago.

Interjections by hon. members.

FOOD COST ALLOWANCES

Mr. Breithaupt: One further question, Mr. Speaker, of the Provincial Secretary for Social Development.

Since food costs have increased by some 19 per cent since the last adjustment in the family allowance payments in January, 1973, and since a single parent with a child is paid only $250 in family assistance benefits—

Mr. Stokes: That's in the winter.

Mr. Breithaupt: —will the minister consider the recommendation of the Deputy Commissioner of Social Services in Metro Toronto and work through her policy secretariat to increase the allowance for food costs?

Hon. M. Birch (Provincial Secretary for Social Development): Mr. Speaker, to the hon. member, those claims are under consideration at the moment.

Mr. Speaker: The member for Kitchener.

The member for Scarborough West.

HOME PLAN PRICES

Mr. Lewis: Yes, a question first of the Minister of Housing.

Referring to his first statement and the accounting principles which he set out, what is it going to mean in dollar terms? What kind of percentage increase on the costs of a house or building materials are we really talking about? That wasn't included in his statement.

Hon. Mr. Handleman: Mr. Speaker, in the statement it was made quite clear that this would vary from location to location.

If I might use eastern Ontario—an area that is dear to my heart—as an example, the building price limits for detached three, four and five-bedroom houses have ranged from $17,050 to $19,300, under the ceilings. Now under the new programme there may be an increase for three, four and five-bedroom homes of approximately $500, $600 or $700 but it will vary from municipality to municipality based on target prices.

Of course, as to the question of what income groups it will serve, it is designed to serve the same income groups as before, based on the five per cent minimum down payment and the 30 per cent of gross monthly income which can be paid for carrying charges.

In a particular case, a person earning in the vicinity of $9,000 in Kingston township, for example, will be able to afford a three-bedroom home under our new proposal which is going out today.

Mr. Lewis: By way of supplementary, I take it that he is envisaging price increases on the $21,000 figure, which the minister used in his statement, of $1,000 to $2,000 per home on the average. If the minister is not, is he just using that kind of percentage relationship in eastern Ontario?

Hon. Mr. Handleman: Mr. Speaker, what we are trying to accomplish here, first of all, is to get some houses built under the HOME programme over the 1,500 starts which occurred last year under the ceilings.

We are also trying to ensure there is a broad mix of housing ranging from the house for the $9,000 income earner up to our maximum now of $14,500. Our point system will be designed in such a way that the successful bidder will have to supply a broad mix of housing.

It may very well be that at the upper end of that the price will go up and it may go up in ratio to what the hon. member has stated. But there will continue to be a broad mix of housing and we expect to have four times as many starts under this programme as we had under the old programme.

Mr. Lewis: One more supplementary: He has now been minister for two months and there has been nothing specific said in the House about the Ontario housing action programme—which developers he has settled with; how many lots; where they are serviced; how many homes—this is his first announcement which implies or asserts an—

Mr. Speaker: Is there a question coming?

Mr. Lewis: Yes—increase in the cost of housing. When will we hear about the Ontario housing action programme?

Hon. Mr. Handleman: Mr. Speaker, as soon as we have some—I have already stated on many occasions that this is a three-way partnership between the developers, the province and the municipalities. We expect to have some very concrete proposals made by one municipality in this area at a council meeting on Monday night. I would not want to pre-empt that council's prerogative of announcing the programme in its own area.

Mr. M. Cassidy (Ottawa Centre): A supplementary, Mr. Speaker.

The minister's first concrete announcement is that the cost of HOME housing is going to go up when we expected some announcement that the cost of housing would be coming down.

Some hon. members: No!

Mr. Lewis: That's right. That is what happened today. It's the first announcement.

Mr. Cassidy: That's right.

Can the minister say how many housing starts he expects this year under the HOME programme and how many starts next year and whether land is being prepared in order to ensure that the HOME programme will continue after 1974?

Hon. Mr. Handleman: I would like to thank the member for a chance to repeat what I said in the statement.

We plan to market some 6,000—and that is a minimum—serviced building lots in such major centres as Hamilton, London, North Bay, Ottawa-Carleton, Sarnia, Scarborough, Sudbury and Thunder Bay, and in smaller centres such as Hawkesbury, Kenora, Port Elgin, Wallaceburg, Kingston township and others. That is four times the number started last year because of the fact we were not getting any bids—

Mr. Lewis: It is 4,500 more homes.

Hon. Mr. Handleman: Four times as many as last year, I prefer to put it, Mr. Speaker. Also, we expect this programme to be expanded as our housing action programme results in firm agreements to permit the province to develop part of the private land which is now being held.

METRO TORONTO HOSPITAL DISPUTE

Mr. Speaker: The member for Scarborough-West.

Mr. Lewis: Yes, Mr. Speaker, may I address questions on the hospital workers' situation to the Minister of Health? I expected the Minister of Labour would be—

Hon. F. S. Miller (Minister of Health): He will be here.

Mr. Lewis: Here is the Minister of Labour now. I'm asking him a question as he is coming in. Is he prepared to make a statement? Would he like us to revert to ministerial statements or shall I simply put a question to him and ask him to report on the breakdown of negotiations?

Hon. F. Guindon (Minister of Labour): I will answer questions.

Mr. Lewis: All right. Could the minister make a report whenever it is convenient?

Hon. Mr. Guindon: Yes, Mr. Speaker, very briefly, I'd like to tell the hon. members that the mediation proceedings between the 12 hospitals in Metro Toronto and their relative locals of the Canadian Union of Public Employees were terminated early this morning. My mediators, Mr. W. H. Dickie, assistant deputy minister, and Mr. Vic Scott, director of conciliation and mediation, placed before the parties a basis for settlement, the terms of which provided a collective agreement to expire Dec. 31, 1975; a wage increase of $1.30 per hour over that period; a commitment to joint bargaining in the next round of negotiations; also a job security clause that would protect the employees; and a clause providing commencement of negotiations on Oct. 1, 1975, 90 days prior to termination of the collective agreement.

The proposals were acceptable to the hospital negotiators but the union committee declined to recommend their acceptance to their members.

Mr. Lewis: By way of supplementary—perhaps we'd better tell the full story then—may I ask the minister, first, is he willing to discuss publicly the fact that he offered 66 cents in the first year to raise the average cleaner's salary, the basis on which this is being discussed, to $3.66, compared to $4.64 an hour for cleaners in other parts of the public sector?

Is the minister prepared to discuss that in the second year he was going to raise it to $4.30 an hour, compared to $5.06 an hour in the other areas of the public sector, so that it would take until 1980 for the average wage of the hospital worker to catch up with his colleagues doing equivalent work in other sectors?

Why does not the minister also tell the House that the union came back and said, instead of offering us $1.30 over two years, we're asking for only $1.50 over two years, just 20 cents more; or alternatively a fringe benefit package reflecting that 20 cents. And it was management that turned that down, and that's what broke off the negotiations?

Mr. MacDonald: Is that accurate?

Mr. Lewis: In fact, it is accurate to the "t".

Mr. Speaker: Order.

Hon. Mr. Guindon: Mr. Speaker, all I can say at this time is that I think this is perhaps not an overgenerous proposal, but I would like to tell the hon. members that, as far as we are concerned—

Mr. Lewis: No, it is not overgenerous.

Hon. Mr. Guindon: —it is equitable and it is a fair and credible proposal.

Mr. Reid: By way of supplementary, does this indicate that the Ministry of Health, in fact, has stated to the hospitals that it will provide extra money over and above the ceilings to provide for this wage settlement?

Hon. Mr. Guindon: Mr. Speaker, that's a question the Minister of Labour cannot answer. It would have to be asked of the Minister of Health.

Mr. MacDonald: Mr. Speaker, I rise on a point of order. The minister hasn't denied what the leader of the New Democratic Party has indicated as to what went on in the hearings. I want to suggest to you, Mr. Speaker, if that is the case the minister misinformed the House.

Mr. Lewis: That's right.

Mr. MacDonald: It is so partial a story that it is calculated misinformation.

Mr. Lewis: It's a management position on the part of the minister.

Mr. Speaker: Order.

Mr. MacDonald: It is a management—

Mr. Speaker: Order, please.

First, it is not a point of order. I think the hon. member should not indicate that the hon. minister has misinformed the House. There is an implication by the member that he has deliberately done so.

Mr. Lewis: But he has.

Mr. MacDonald: He has partially misinformed the House.

Mr. Speaker: As long as the hon. member is not accusing the minister of deliberately misleading the House, I can't ask him to withdraw it.

Mr. MacDonald: I didn't say "deliberately."

Mr. Speaker: I don't think he said deliberately.

Mr. MacDonald: I said he "partially."

Mr. Speaker: I did not think he said "deliberately." Therefore there is no basis on which I can ask him to withdraw it, but certainly it is not a point of order.

Mr. Lewis: By way of supplementary, does the minister think it is legitimate to invite a strike of 6,000 workers on Wednesday next for a difference of 20 cents over two years or the equivalent in fringe benefits? Is he aware that what the workers asked for in fringe benefits was three weeks' holidays after one year, which they have in Newfoundland; that what they asked for was a day and a half sick leave per month, which they already have in several hospitals; and that what they asked for was full payment of OHIP, which they already have in several hospitals?

Interjections by hon. members.

Mr. Lewis: The minister knows we are facing a shutdown of 12 Metro hospitals and he is allowing it to break down for 20 cents.

Mr. Speaker: Order. The hon. member has asked several questions. I think the minister should respond.

Interjections by hon. members.

An hon. member: It was a statement, not a question.

Mr. Speaker: Yes; but there were interrogations included in the remarks.

An hon. member: It was a statement.

Mr. Speaker: No, it was a question.

Hon. Mr. Guindon: Mr. Speaker, perhaps my hon. friend from Scarborough West is not aware that the question of fringe benefits was decided. It was decided this would not be discussed in the package but that all the money available should go in the package. That's a counter-proposal from the union.

Mr. Lewis: The union was generous. They gave up a point.

Hon. Mr. Guindon: It was a counter-proposal from the union. It was agreed by both sides before that all the money available would be put in the wage package.

Mr. Shulman: Supplementary, Mr. Speaker.

Mr. Speaker: Yes.

Mr. Shulman: If, in fact, this means a strike in our hospitals, what steps is the government taking to safeguard the health of the people of this province?

Hon. Mr. Guindon: The Minister of Labour never talks in terms of strikes, never. I think the hon. members of this House should be perhaps more helpful, more co-operative; because who wants a strike? I am sure my hon. friends opposite do not want it either.

Mr. MacDonald: Well don't create conditions that lead to the inevitable.

Interjections by hon. members.

Hon. Mr. Guindon: We think once the membership looks at the package—

Mr. Lewis: Oh, the old game.

Hon. Mr. Guindon: —sincerely, and takes time to see all that is there, we think the membership should really seriously consider what has been offered.

Mr. Speaker: Who has a supplementary here? The hon. member—

Mr. MacDonald: Somebody should put a bomb under the Management Board.

Mr. Speaker: The hon. member for Scarborough West.

Mr. Lewis: Does the Minister of Health not think, given the continuing disparity in wages reflected in this management offer, that he could come up with the additional 20 cents over two years to avert a strike on Wednesday? Is that not a legitimate request?

Hon. Mr. Miller: I think the member is playing one ministry against the other, Mr. Speaker, in the sense that my job is to say that I can or cannot provide the funds on the basis—

Mr. MacDonald: I thought they were both in the same government.

Mr. Stokes: Which are you, Alphonse or Gaston?

Hon. Mr. Miller: I am Gaston today, okay? My job is to determine whether I can provide the funds that the negotiators have agreed are fair. Somebody asked that question earlier, would I provide the funds for the settlement discussed today? The answer is unequivocally, yes.

Mr. Lewis: By way of supplementary, the minister will concede that the department lines have been open—as everybody knows, as Mr. Dickie has admitted, as Mr. Scott has admitted—throughout these negotiations to determine what the government would give. Will the minister give another 20 cents over two years to resolve this dispute?

Mr. Deans: He is going to have to do something.

Mr. Speaker: Does the hon. minister have any response to the question? Does the hon. member for Scarborough West have further questions?

Mr. Lewis: No, Mr. Speaker.

Mr. MacDonald: They are a penny-pinching bunch; 20 cents and they invite a strike.

Mr. Speaker: The hon. member for—

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Lewis: Look at what we are talking about, $87 a week take home pay.

Mr. Speaker: The hon. Minister of Energy—

Mr. Lewis: That is what the minister spends on drinks here in a week. He is doing it deliberately.

Hon. Mr. Winkler: What is he doing deliberately?

Interjections by hon. members.

Mr. Speaker: Order please.

Mr. Lewis: He is committing the Minister of Labour to a management position.

Interjections by hon. members.

Mr. Speaker: Order, order please. The hon. Minister of Energy has the answer to a question previously answered.

Interjections by hon. members.

Mr. Singer: Previously answered?

Mrs. Campbell: We don't need two answers!

UNION GAS

Hon. W. D. McKeough (Minister of Energy): Mr. Speaker, last Friday the hon. member for Scarborough West asked a question about whether we had had any complaints with regard to pipeline construction in Raleigh township. I have ascertained that there have been no complaints to the Energy Board, the energy branch of Consumer and Commercial Relations or the Ministry of Energy. However, we have been in touch with the officials in Raleigh township and

have suggested they get in touch with the local representative from the energy branch of the Ministry of Consumer and Commercial Relations and the problem will be dealt with.

Hon. Mr. Grossman: The question is, are the NDP socialists?

Mr. Speaker: The hon. member for Grey-Bruce, I believe, is first.

ENERGY BOARD COUNSEL

Mr. Sargent: Mr. Speaker, a question of the Minister of Energy. In view of the amazing revelation last night that Mr. Macaulay is being paid at the rate of $1,000 per day and has already received $170,000 in the last four months, I would like to ask the minister what guarantee do we have that—

Interjections by hon. members.

Mr. Sargent: —other inside deals are not being made with friends of the government?

Interjections by hon. members.

Mr. Sargent: Secondly, does Mr. Macaulay's contract or arrangement with the government carry on to infinity? How much will he make this year? Half a million dollars? How much?

Mr. Lewis: He will make a lot more than any of the hospital workers.

Hon. Mr. McKeough: Mr. Speaker, I can give the assurance that no deals—not any other deals, no deals—are being made with friends of the government. Mr. Macaulay has been retained by the Energy Board as counsel for the—

Interjections by hon. members.

Hon. Mr. McKeough: Mr. Macaulay has been retained by the Energy Board as counsel for the Hydro hearings, which will continue on this year. How long, I don't know. Therefore, I think it is difficult to say how much will be paid to the Thomson Rogers firm and/or the consultants retained by Thomson Rogers. Mr. Macaulay has also been retained from time to time by the Ministry of Energy in certain constitutional and other matters—and we fully expect to do so this year.

Mr. Sargent: Supplementary, then he could well make himself $365,000 this year as counsel here?

Mr. Speaker: Is that a question?

Mr. Sargent: That's a question; yes. Is that right or wrong?

Hon. Mr. McKeough: No, Mr. Speaker.

Interjection by an hon. member.

Mr. Sargent: Supplementary: How much is he going to make then?

Hon. Mr. McKeough: Mr. Speaker, when we ascertain how long the Hydro hearings go on and we know what other actions—not actions but interventions that Mr. Macaulay or his firm—and it's not just Mr. Macaulay; there are others in that firm who have been involved in the Hydro hearings and certain oil hearings. Out of that, from time to time, Thomson Rogers have retained consultants directly. So it isn't a question of a payment to Mr. Macaulay of $345,000 or $170,000—or anything like that. How much it will be, we won't know until the end of the year.

Mr. Sargent: The minister said $170,000 last night.

Hon. Mr. McKeough: I said $170,000 to the firm of Thomson Rogers.

Mr. Sargent: A final supplementary.

Mr. Speaker: Yes, this will be final.

Mr. Sargent: Does Mr. Macaulay have carte blanche to hire any other counsel he wants at the rate of $75 an hour?

Hon. Mr. McKeough: No, Mr. Speaker, he does not. Before Mr. Macaulay—in the case of the Hydro hearings—hires consultants, he would check that with the Energy Board. He is, of course, subject to the total fees or subject to the amount which is approved from time to time by Management Board. The consultants that are hired by the Thomson Rogers firm or directly by the Energy Board in the various hearings may be at the rate of —I doubt very much if any of them are at the rate of $75 an hour; some of them are less, some of them on an hourly basis might well work out to more.

Mr. Speaker: The hon. member for Thunder Bay.

REGIONAL PLANNERS FOR NORTHERN ONTARIO

Mr. Stokes: Thank you, Mr. Speaker, I have a question of the provincial Treasurer. Why has it taken almost two years to enlist the services of a senior policy planner and several regional planners to restudy and to im-

plement policy associated with the Design for Development for northern Ontario; and is this his ministry's commitment to design for development; and why is he going to locate these planners in Toronto rather than having them in the field, where they would have a much closer liaison with the municipalities, as he announced in Dryden this last week?

Hon. J. White (Treasurer, Minister of Economics and Intergovernmental Affairs): There is certainly a great demand for planners by regional governments, by ourselves and others; and I suppose the reason we are not able to hire as many as we would wish as quickly as we would like is because of that general shortage. I suppose this is not our fault.

On point No. 2, our inability to hire as many planners as quickly as we would wish is no reflection on our attitudes towards northwestern Ontario.

Mr. Sargent: The Treasurer started the whole mess.

Hon. Mr. White: As my speech in Dryden a week ago today might indicate, as the preparations for the DREE announcement might indicate, as 101 different plans for northwestern Ontario might prove, we are deeply committed to economic progress in that area, with all of the social improvement that will involve. Now, we are establishing an important facility for the government of Ontario in Thunder Bay, and this will become a form of regional capital, so to speak.

Mr. Reid: Sort of a mini-Queen's Park.

Hon. Mr. White: Whether or not it is wise to allocate planners to that office, I really don't know. I expect that their services, which will be dedicated at some point to that area, will on other occasions be required elsewhere; and I suppose that by having a unit here in Toronto we can allocate those resources to different parts of the province as changing circumstances require.

Mr. Stokes: Well as a supplementary, does the minister not think it wise to have those people who are going to implement the recommendations contained in Design for Development that has become government policy—does he not feel, since he now has a local presence in the municipal liaison committee that he is about to structure, does he not think it wise to have planners and implementers in the region rather than having them in the Frost Building down here?

Hon. Mr. White: We will be announcing a new regional office director very soon. We've been running a competition, as members may know. We had something like 135 applications, we've interviewed some large number—I don't mean myself, I mean a selection board created for the purpose—and the successful candidate will be announced very soon. So we are moving resources into that regional headquarters. The programme is phased so that the number of people to be moved initially will be supplemented as the concentration continues and as we are able to digest these moves internally.

Mr. Speaker: The hon. member for Rainy River.

NUCLEAR GENERATORS MARKET

Mr. Reid: Thank you, Mr. Speaker. I have a question of the Minister of Energy. Is the minister aware of the speech made in Montreal by Mr. S. H. Russell of Atomic Energy of Canada Ltd., in which he indicates that by the year 2000 there will be something like $60 billion worth of Canadian money, particularly Ontario and Quebec money, spent on nuclear components, and his remarks that most of this stuff will be bought outside of Canada? Is the minister taking any action to ensure that at least some of these components will be able to be manufactured in Canada, particularly seamless carbon steel or stainless steel tubing? Has he had any discussions with AECL or even the provincial Minister of Industry and Tourism (Mr. Bennett) in regard to this huge field?

Hon. Mr. McKeough: I have only seen the press report, and I know there was no one from our ministry at that particular conference, although I believe there were people there from the Ministry of Natural Resources.

But in response to the question, I noticed the press report and I have already sent a memorandum to the chairman of Hydro and asked him for his comments. I think it's something which we have to look at. Hydro, I imagine, have looked at it. In my view Hydro have, over the years, done a great deal, and I detailed this in a speech some time ago, to encourage Canadian technology, to encourage Canadian manufacturing. Turbo generators, which have been the subject of discussion in the House, raised by the hon. member for Scarborough West three or four years ago, is an emerging Canadian industry, or Canadian-located industry. It so happens that both major firms—General Electric and

Howden Parsons—are foreign owned but through the action of Hydro in stimulating and apportioning the manufacture of turbo generators, two very strong, in my view, Canadian firms are being built and proof of the fact is that they're now from Canada. One of them, General Electric, was awarded a contract at the Grand Coulee dam.

Hydro have made a policy of that sort of stimulation and obviously, if the figures are correct—and I have no doubt they are—which were quoted from the Montreal statement, there's a whole lot more to do. I'm sure Hydro are getting along with it and they'll have our full support.

Mr. Reid: Supplementary, if I may, Mr. Speaker: The minister would agree then, in view of the fact that Canada and Ontario in particular have gone a long way in developing nuclear capacity, that it should be this province and this country that takes advantage of the hardware that has to be produced for it. I would ask the minister if he will have discussions with the provincial Minister of Industry and Tourism in regard to this to stimulate it?

And if I may, one more thing: Does the minister not feel that perhaps the almost monopoly position that CGE has in these matters is maybe one of the reasons why we haven't more capacity in Canada to produce these kinds of materials?

Hon. Mr. McKeough: No, I wouldn't agree with that, because the business is split between a number of firms. In terms of turbo generators, which are the biggest single items, I think perhaps more of them to date have gone to Howden Parsons than have gone to General Electric.

I've forgotten the name of the chap, in Milton I think it was or Georgetown, who was producing for Hydro. There are a great number of very small firms as well. Muirhead in Scarborough have been in to see me. Foster Wheeler in St. Catharines are thinking of stepping up their input into the whole nuclear generation business. And I've been handed a note to indicate that Industry and Tourism have already had a meeting and are approaching, with Hydro, the subjects raised in the Montreal speech by Mr. Russell. They had a meeting before the speech, as a matter of fact.

Mr. Speaker: The hon. member for High Park.

ONTARIO HOSPITALS' REPORT

Mr. Shulman: Thank you. I have a question of the Minister of Health, Mr. Speaker: How much money is being wasted as the result of duplication of services between his department and the Ontario Hospitals, as laid out in the report which was presented to him?

Point two, why has he not done anything about this duplication of services; and is that money equivalent to the 20 cents that is being asked for by the unions?

Hon. Mr. Miller: I will start with the last question first, Mr. Speaker. The answer obviously would be no.

Mr. Lewis: Why?

Hon. Mr. Miller: It is not equivalent to the 20 cents being asked for by the unions.

The question of duplication of hospital services is one we are working on very steadily. It was brought up by one of the members the other day and I think we are making very admirable strides in the attempt to rationalize hospital services throughout the Province of Ontario. I have to say only this, that the place we run into the most resistance is not within our ministry, but within the communities which have a vested interest in the established institutions.

Mr. Sargent: The minister hasn't heard anything yet.

Mr. Shulman: Supplementary, Mr. Speaker, if I may: The minister has misunderstood my question. The duplication in this report refers to a duplication not between hospitals, but between the Ontario Hospitals on the one hand and his ministry on the other. My question was how much money is involved?

Hon. Mr. Miller: I can't speak for the number of dollars there, Mr. Speaker, but again we are on a course of rationalizing that particular type of operation. We have been moving a great number of people out of our own hospitals into community hospitals in the last few years. We are cutting staff at the rate, I think, of 200 a year at the present time in the Ontario Hospitals as we gradually shift the emphasis back to the community.

Mr. Shulman: Supplementary, Mr. Speaker?

Mr. Speaker: Yes, we will permit one more.

Mr. Shulman: If the ministry has cut staff, why is it the number of people on its payroll is going up?

Hon. Mr. Miller: In my total payroll, I would think so; but I think you will find that the Ministry of Health's—

Interjection by an hon. member.

Hon. Mr. Miller: Not the Ontario Hospital section. "You are on my staff but not my payroll." You have heard that statement made before.

Mr. Reid: In the minister's case it is the opposite way. They are on his payroll but not on his staff.

Hon. Mr. Miller: They may be on the payroll. I think the federal government discovered a lot of horses there once, didn't they?

Mr. Reid: And a few other parts of the horse, too.

Hon. Mr. Miller: Yes, well they sit opposite some times.

Mr. Breithaupt: Yes, they certainly do.

Hon. Mr. Miller: It depends on the way the mirror works.

Mr. Speaker, this is an ongoing problem. I think the whole future of the Ontario Hospitals as such is really under review in our ministry right now, whether, in fact, district units should operate under our ministry.

I think if you check back to two years ago when we came out with our reorganizational plan for the ministry, it was stated that the ministry should get out of direct services such as the Ontario Hospitals if, as and when it could.

Mr. Shulman: Has the minister read the report? Has he seen it?

Hon. Mr. Miller: No.

Mr. Speaker: The hon. member for Peterborough.

CSAO TELEGRAM ON MAIL DELIVERY

Mr. J. M. Turner (Peterborough): Mr. Speaker, I have a question of the Chairman of Management Board. I would ask the minister if he is aware of a telegram which was sent by the CSAO regarding mail delivery?

Hon. Mr. Winkler: Mr. Speaker, I was ready to answer that question yesterday. I am not sure whether I have that information with me or not.

Mrs. Campbell: He was ready yesterday, but he doesn't know it today.

Mr. Turner: Nobody asked him.

Hon. Mr. Winkler: Mr. Speaker, this is a rather serious situation, though maybe less so today than it was yesterday when it was much more current. Although the agreement, as I understand it, with the postal employees is not ratified—

Mr. Sargent: Who told the minister this?

Hon. Mr. Winkler: —it then may be appropriate yet this morning. It is true there was a telegram forwarded from the directors of the CSAO, wherein the CSAO board of directors passed a motion on April 23 instructing all branch presidents to inform their members not to carry any mail for which they can be accused of strike-breaking, that is mail normally delivered by a postal worker. If in doubt on any issue, the office was to have been contacted.

I want to say, Mr. Speaker, that I believe that action on behalf of the CSAO was irresponsible due to the implications of many people who await and depend upon the cheques that arrive in the mail at this particular time of the month. We directed a letter back to the chairman of the CSAO, accordingly, informing them that we disagreed. I would like, if the members wish, to put the letter on the record. It doesn't really matter much to me, but we did express our concern at that sort of message being transmitted to the members of the CSAO and we deplore that sort of activity.

Mr. Lewis: The minister is not manipulating them the way he used to.

Hon. Mr. Winkler: My communication is wide open.

Mr. Speaker: The hon. member for Waterloo North is next.

PARKS IN SHELBURNE AREA

Mr. E. R. Good (Waterloo North): Thank you, Mr. Speaker. I have a question of the Minister of Natural Resources. Due to the local concern in the town of Shelburne regarding the establishment of the Boine River Park and also Mono Park, does the minister have his studies completed far enough to tell us how much active farmland will be taken out of production by the establishment of the Boine River Park? How much tax loss will there be by the assessment of the municipalities; and what is the difference between the actual present tax and the amount which will be given under the Provincial

Parks Act? And would the minister tell us whether there has been an environmental impact study completed for the Boine River Park and the Mono Park?

Hon. Mr. Bernier: Mr. Speaker, this particular matter, and the matters to which the member is referring, have been very actively pursued by the member for Dufferin, is it?

Mr. J. Root (Wellington-Dufferin): Wellington.

Hon. Mr. Bernier: Wellington?

Hon. Mr. Grossman: Wellington-Dufferin.

Hon. Mr. Bernier: Wellington-Dufferin.

Mr. Reid: He's one of the minister's colleagues.

Hon. Mr. Bernier: We've had several meetings with these two members, along with representatives from the various municipalities and the interested landowners. I've indicated to them at those particular meetings that we will tone down the size of the Boine River Park. I've asked our consultants to come up with some specific recommendations and when they are in my hand I will be prepared to make comment to the member on the questions that he's asked.

Mr. Good: A supplementary, Mr. Speaker: Last week, at least the other day, it came to light the minister created a provincial park with a subdivision in it. This provincial park has a municipal landfill site in it.

Mr. Speaker: Is there a question?

Mr. Good: Will the minister ensure the town of Shelburne that he will not jeopardize the local landfill site nor will he impede the growth of the municipality by the establishment of this park right up against its eastern border? Will he ensure the municipality the roadwork in the area will be done prior to any development of the park so that their fears of this local municipality can be allayed?

Mr. Root: The member is a month late getting into it. We have been onto this for a month.

Mr. Reid: What has the member for Wellington-Dufferin done about it? They can't even remember his name.

Hon. W. A. Stewart (Minister of Agriculture and Food): The whole case was resolved before the member for Waterloo North ever heard of it.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Root: The member is wrong for once; that's for sure. We've been on that for weeks; before he ever heard of it.

Hon. Mr. Bernier: Mr. Speaker, let me assure the member that our approach to the development of the Boine River Park is the same as we've used for the development of other parks throughout the province. When there is an adjoining municipality all those fears which he's raised are thoroughly discussed with the municipality and they are very carefully considered.

Mr. Speaker: The hon. member for Wentworth.

HAMILTON BAY PROPERTY

Mr. Deans: Thank you, Mr. Speaker. I have a question of the Minister of Natural Resources. What assurance will the minister give the House in any negotiations undertaken by his ministry with Lax Brothers in Hamilton for the acquisition of bay-front property owned by them, that from the point of view of the ministry the negotiated price will begin with the base of $280,000—give or take a few dollars—which is the approximate amount that they have in fact invested in the property, rather than the $6.7 million which is the current appraised value?

Hon. Mr. Bernier: Mr. Speaker, I am not prepared to give any consideration to that particular question at this time, because there has been no decision to even purchase that particular property.

Mr. Deans: Is it true—by way of supplementary question—that the ministry is currently investigating the possibility of purchase of the property, and if it is true is the minister aware that Lax doesn't own much of the property outright but rather has an option on the property which expires on Dec. 31 this year, and that the appraised value of the property is not, in fact, a reflection of its actual value?

Hon. Mr. Bernier: Mr. Speaker, as I pointed out earlier, we are not dealing with any specific properties in that particular area. I set up a study within my ministry to look at the overall requirements of the recreational needs of the Hamilton area. We are looking at a number of properties and the Lax property may well be one of them.

An hon. member: On the lake front.

Mr. Speaker: The member for St. George.

READMISSIONS TO ONTARIO HOSPITALS

Mrs. Campbell: My question is of the Minister of Health, Mr. Speaker.

Could he advise this House why it is that when I asked a question of the Provincial Secretary for Social Development on when I would have information about readmissions to Ontario Hospitals, I was assured I would have it, and now the Minister of Health comes forward, changes that answer and says it will be released on a qualified basis? Who is directing this show? May I know what the qualified basis is and when I am going to get the material I asked for?

Hon. Mr. Miller: First of all, Mr. Speaker, I believe I am the Minister of Health and as such I am responsible for that ministry. As long as we understand that we'll be on the first step.

Mrs. Campbell: The provincial secretary has nothing to do with it?

Interjections by hon. members.

Mr. Reid: That's the smartest thing he has said so far.

Hon. Mr. Miller: The second thing I would say to the member is if she would read in Hansard the question she asked the other day and read the answer given by the provincial secretary, she will discover that she said she would get the answer to the question. She did not say she would release the figures and I believe she will confirm that.

Interjections by hon. members.

Hon. Mr. Miller: She simply said the answer to the question would be made available and she would see the member got it. She got it, and we have decided to release it.

Mr. Breithaupt: That answer would be available.

Hon. Mr. Miller: The word "qualified" is essential because unless we tell members why readmissions occur, they can misinterpret them; at least members will know why they occurred.

Mrs. Campbell: A supplementary, Mr. Speaker: Since this is a matter which should be public information, since the public is paying the price—

Mr. Good: That's right.

Mrs. Campbell: —what is the qualified basis and when do I get the material I have been seeking?

Hon. Mr. Miller: I cannot speak to the qualified basis until I have talked with psychiatrists and those people who are involved. They will give the member explanatory information and she will get it quickly.

I think she did us a service. I am not disagreeing with the question at all. I am very pleased she raised the point the other day in the House as to this question of readmission because it caused me, as the result of the provincial secretary asking the question of me, to find out what was the basis for the current policy. When I asked that question I discovered the basis was no longer valid. Having determined that, I elected to release the information on the basis that people would get some explanation with it so they could make their judgements.

Mr. Lewis: A supplementary, if I may, Mr. Speaker.

Mr. Speaker: There are only a few minutes remaining and the member for Sudbury East has a question.

HEALTH AND SAFETY HAZARDS AT ELLIOT LAKE

Mr. Martel: A question of the Minister of Natural Resources: In view of the fact that management at Elliot Lake refuses to continue any type of negotiations until the men resume work, could the minister use his good offices to persuade Denison that the men have a legitimate concern with 140 silicosis cases, and that he should sit down to start negotiations with the men?

Hon. Mr. Bernier: Mr. Speaker, I must admit to the member for Sudbury East that the member for Algoma-Manitoulin (Mr. Lane) also approached me last night with a similar request. I think he is aware that this particular strike is an illegal strike. They have a collective agreement and they have illegally walked out in the middle of that collective agreement. It's a labour matter and possibly something that my colleague, the Minister of Labour should be looking into.

As I said yesterday in my comment, I am as concerned as the member for Sudbury East with the conditions in the mine.

An hon. member: More so.

Hon. Mr. Bernier: We have been given a very lengthy list of a number of items and I have insisted my staff look into each one in detail. But I do say to the hon. members that some of the items that they have brought to my attention cannot be examined until the mine is in operation. This is one of the problems. For me to get directly involved at this point in time and try to break a collective agreement, I just don't know how I could do it legally.

Mr. Lewis: Mr. Speaker, on a point of order, sir, if I may: I want to say, and I have had it checked out, that the Minister of Labour has again inadvertently misled the House. In the negotiations with the hospital workers fringe benefits were never taken off the table. They were simply seen as something that would be discussed after the monetary matters had been reviewed.

I think the minister should be more careful in what he reports to the House about negotiations as sensitive as these.

Mr. Speaker: Well, there is really no point of order. It is a question of an opinion by one member as opposed to that expressed by another.

Hon. Mr. Guindon: Mr. Speaker—

Mr. Speaker: If the hon. minister wishes to respond, I will permit it

Hon. Mr. Guindon: To reply very briefly, Mr. Speaker, I would like to know the hon. member's source of information?

Mr. Lewis: The minister wants to know my source of information? The source of information is directly from those involved in his ministry. That is the original source, although they have not spoken to me personally about it.

Hon. Mr. Guindon: Certainly not from my assistant deputy minister.

Mr. Lewis: I don't know who his assistant deputy minister is, Mr. Speaker, but no, the minister can set his mind at rest.

Mr. Speaker: Petitions.

Presenting reports.

Motions.

Introduction of bills.

Mr. Lewis: Mr. Speaker, on a point of order, sir, if I may. This is awkward, but I appreciate your giving me the opportunity to put it.

Under the legislative assembly of Ontario standing orders, order No. 30 allows for an emergency debate provided that notice is given in writing two hours before the sitting of the House.

The hospital workers negotiations broke down at approximately 4 or 4:30 this morning. Friday is a very difficult day in which to get a notice in writing to the Speaker two hours in advance of the sitting of the House, indeed the news of the breakdown of hospital worker negotiations did not actually come publicly across the airwaves until after 8 o'clock.

Mr. Speaker, this situation is so critical and is growing in proportion to the extent that I think it is a matter of urgent public importance. It falls squarely with standing order 30 as it was intended, and I would therefore like to ask, Mr. Speaker, that unanimous consent of the House be given to allow us to proceed under standing order 30 as it was intended.

Hon. Mr. Guindon: Mr. Speaker, I do not think it is a fair statement for the hon. member to say that the talks have broken down. It's a—

Mr. Speaker: Order, please. With respect to the minister, I think before there can be any debate or expressions of opinion we must deal with the point raised by the hon. member.

The standing orders do provide that two hours' written notice must be given prior to the sitting of the House in order to enter into the matter of whether or not the question to be raised, and whether the ordinary business of the House be set aside, is in fact of urgent public importance.

The request by the hon. leader of the New Democratic Party is simply to obtain unanimous consent of the House to waive the requirement to provide written notice two hours before the sitting of the House. This is as I understand it.

Mr. Lewis: Essentially that is it.

Mr. Speaker: Right. Do we have unanimous consent of the House to waive that notice?

Some hon. members: No.

Mr. Speaker: I regret that there are dissenting voices. We therefore cannot waive that notice.

Mr. Lewis: Well, on a point of order, I want to know where the "noes" came from? I would like the members to be identified.

Mr. Speaker: Well, I heard several "noes".

Mr. Lewis: The member for York North (Mr. W. Hodgson) was one. I want to know who it is that won't allow the House—

Mr. Speaker: I heard several "noes."

Mr. Lewis: On a point of order, Mr. Speaker, I would like to ask you, sir, for an indication of from whom you heard the "noes" or to call the question again so that we can get it more clearly.

Mr. R. G. Hodgson (Victoria-Haliburton): We heard several.

Mr. Speaker: There is no provision in the standing orders to indicate those who dissent. I did put the question to the House. I said: "Do I have that unanimous consent?"

Mr. Lewis: Can you put it again, sir?

Mr. Speaker: I put it again: Do we have unanimous consent?

Some hon. members: No.

Mr. Speaker: So there are several members who have said no. I think the matter is properly disposed of.

Mr. Breithaupt: I think it's fair to say, Mr. Speaker, on the point of order, that the "noes" came from the government side of the House.

Mr. Lewis: Do you know, Mr. Speaker, that the hospital workers are receiving $1.20 an hour less than—

Mr. Speaker: Orders of the day.

CITY OF BELLEVILLE ACT

Hon. Mr. Winkler, in the absence of Mr. Taylor, moves second reading of Bill Pr1, An Act respecting the City of Belleville.

Motion agreed to; second reading of the bill.

ST. CATHARINES SLOVAK CLUB LTD.

Hon. Mr. Winkler, in the absence of Mr. Johnston, moves second reading of Bill Pr2, An Act respecting St. Catharines Slovak Club Ltd.

Motion agreed to; second reading of the bill.

CITY OF HAMILTON ACT

Hon. Mr. Winkler, in the absence of Mr. J. R. Smith, moves second reading of Bill Pr3, An Act respecting the City of Hamilton.

Mr. I. Deans (Wentworth): No.

Mr. Speaker: Those in favour of second reading of Bill Pr3—

Mr. Deans: Mr. Speaker, I would like to speak to second reading, sir, if I may.

Mr. Speaker: Okay.

Mr. Deans: Forgive me just in catching my breath.

Interjection by an hon. member.

Mr. Deans: Mr. Speaker, I want to speak in opposition to the passage of this bill. And I do so, as I did before the private bills committee, in the earnest hope that the members who are here will listen to what I have to say.

I want to oppose it because I firmly believe that it is a wrong principle to establish. I want to oppose it because I think it is a precedent that is going to be set which will be detrimental and damaging to further judicial inquiries which may well be necessary. And I want to oppose it because I think the very fact that the city of Hamilton did not have the authority to do that which it is now asking for authority to do is an indication that we in the Legislature didn't believe that that authority should have been granted in the first place.

Let me tell you what it is about, if I may, sir.

There was a judicial inquiry in Hamilton some time ago into the falling marble and general state of the city hall. That inquiry required that a number of people be called as witnesses. Those people were subpoenaed, as is the normal practice in an inquiry. And one of the people subpoenaed was one Stanley Roscoe.

Mr. Roscoe was subpoenaed because he had direct knowledge of the development and building of the city hall at the time it was built. Mr. Roscoe was subpoenaed because he was in fact the architect in the employ of the city of Hamilton at the time that it was built. Mr. Roscoe appeared at the hearing under subpoena, like every other witness. He, of

his own volition, decided it was necessary for him to hire a solicitor. He decided that to protect his own interests it was necessary for him and his solicitor to be present at every single day—40 in number—of the hearings.

Mr. Roscoe then decided, for whatever reason, to submit a bill to the city of Hamilton for, as I recall, some $79,000 for his attendance at this judicial inquiry.

I don't deny for a moment it might have been better had the city of Hamilton decided to hire Stanley Roscoe as an adviser. I don't deny for a moment that he might well have had some valuable contribution to make. But I do deny the right of a person subpoenaed to appear as a witness to submit a bill to any municipality for his being there and protecting his own interests.

Mr. Roscoe was on the witness stand for less than two days as a witness. He was on the witness stand for less than two days; he was paid the normal witnesses fees. I feel sorry that Stanley Roscoe felt it necessary to be there every day, and I feel sorry that he feels that his business suffered, and I regret that he had to hire a very expensive lawyer to defend his own personal interests. But I'll be damned if I can see why the citizens of Hamilton, or the citizens of the Province of Ontario indirectly, should have to pay the bill. Now, I'm asking—

Interjection by an hon. member.

Mr. Deans: —that there be a consideration given to this bill unlike that which is normally given to private bills. It's not often that members speak on private bills and I urge my colleagues from Hamilton who supported the bill—the member for Wentworth North and the member for Hamilton West (Mr. McNie), I presume—not to speak in favour of Stanley Roscoe getting paid, in favour of setting up a precedent of paying witnesses fees and then paying witnesses whatever it is that they submit as a bill for services rendered, services which were never hired, which were never contracted for and which were never agreed were necessary.

Stanley Roscoe went to the city of Hamilton and he asked whether or not the city required his services at that particular inquiry. He was told no.

Mr. D. W. Ewen (Wentworth North): Well, the city made an error

Mr. Deans: It may very well be, as I said, that the city council made an error in not hiring him. If the city council made an error in not hiring him, then the city council has an obligation to find a way to rectify that error, but he can't be paid for the witness time that he was there. If he gets paid for the witness time then every single witness who appeared there, who sat in that courtroom to protect his own interests, is equally entitled to claim payment. If they pay this one individual whose knowledge was extensive, then they may find themselves in a position of having to pay all other individuals whose knowledge was equally extensive and who were required to appear by subpoena before a judicial committee.

I ask the House, please don't pass this bill. It is a bad bill. It is a wrong bill. It is a bill which will set up precedents which we in this House will not be able to afford and it is a bill which will make judicial inquiries extremely expensive. We don't have many of them in any event. It is not as if it is an abused principle. They are set up very discreetly. They are set up after a great deal of consideration and there is no reason to suspect that anything other than what has gone on in the past will go on in the future.

I want to say this to you, Mr. Speaker. Think for a moment about witnesses at all kinds of inquiries.

I sat on the committee investigating the Hydro head office building. It was not unlike a judicial inquiry investigating a matter not unlike the matter of the Hamilton city hall. Every single person who had an axe to grind or every single person who knew anything about that particular development was required to come before the committee. Those people hired lawyers, extremely expensive counsel, the best in the city of Toronto, the best in the land. I urge members to consider that if we set this kind of a precedent they may feel, with some justification, since they were required to be away from their businesses and since they were required to spend considerable sums of money defending their interests, that they might reasonably expect to have their expenses and costs covered by this Legislature.

I also sat on the Workmen's Compensation Board inquiry, as did other members of the House. At that same inquiry a number of people in the same category were called, all subpoenaed and they, too, hired expensive counsel. They, too, might have the same rights. Any future inquiry that will be conducted by this House could well be undertaken on the same basis as this which is being asked for by Stanley Roscoe.

I have no axe to grind with Stanley Roscoe. I don't even know him. I met him

for the first time at the committee, and I wouldn't have recognized the man if I had seen him before. I am sorry that he lost money. He gained in favour and he gained because his reputation was cleared. But I think the principle in this bill is a wrong principle. We in this Legislature should never consider it in order to safeguard any future inquiries that might be taken.

One final point, when a man works for the Steel Co. of Canada or when a man works for Dominion Foundries or when a man works for Algoma Mines and is required to take time from his place of business to go to a hearing as a witness, he is paid witnesses fees. His employer normally doesn't undertake to pay him his normal day's wages. It is a loss which is incurred by a witness at a trial or a witness at an inquiry. For most people, if you don't punch in you don't get paid. They don't have a choice. They have to be there. Stanley Roscoe had a choice. He chose to be there. The costs are his, not ours. I urge members not to pass this bill.

Mr. Speaker: Does any other hon. member wish to speak to this bill?

Hon. D. R. Irvine (Minister without Portfolio): I would, Mr. Speaker. I've listened with interest to the hon. member's comments, and it's my understanding that this bill received consideration during the private bills committee meeting, at this particular time. The hon. member was present, I hope.

Mr. Deans: I was there and spoke.

Hon. Mr. Irvine: And spoke.

Mr. Deans: The minister might have been there, too, since he was interested in it.

Hon. Mr. Irvine: I think probably I was.

Mr. Deans: He was not.

Hon. Mr. Irvine: I'm just pointing out to the hon. member that I think he had ample opportunity at that time to convince the members of the committee whether or not this bill—

Mr. Deans: On a point of order, Mr. Speaker, I don't require to be chastised by the minister for raising a matter which is rightfully raised before the House here today. I don't require to be lectured by the minister on where I should make my point.

Mr. Speaker: There's no point of order. Order, please!

Mr. Deans: I'm entitled to sit in the House and I don't need his backchat.

Mr. Speaker: Perhaps the hon. member doesn't need it, but the hon. minister has every right to express an opinion. That's all he was doing.

Interjections by hon. members.

Hon. Mr. Irvine: Mr. Speaker, I think the private bills committee took into—

Mr. Deans: He wasn't there.

Hon. Mr. Irvine: —full consideration all aspects of this particular bill. It is the right of the elected people of the city of Hamilton to bring forth a private bill. They have chosen that right. They have asked the committee to approve it and it has been approved. And regardless of the views of the hon. member, I say that since the private bills committee has approved it, we in this Legislature should also approve it.

Mr. Deans: This is not an automatic place, for heaven's sake. That's the purpose of this item on the order paper.

Mr. D. C. MacDonald (York South): I would like to go back to the record and document how often the government has overruled a decision of the private bills committee.

Mr. R. F. Ruston (Essex-Kent): As a member of the private bills committee, and having sat through the sessions on this particular bill, Mr. Speaker, I recall a fair amount of discussion on it. There were amendments from the original bill and the bill was amended in the private bills committee. The original wording had "damages"—costs, damages and so forth—and "damages" was taken out and the wording was changed to include "pay all or part of the costs incurred." There was considerable discussion, as I've said, in the private bills committee and I'm concerned about the method of this type of legislation.

About a year ago I got up to speak briefly on the second reading of a private bill, and I was chastised by the Speaker, whoever was in the chair that day, that in effect we weren't really supposed to speak in opposition to or in support of these bills, that they were private bills and when the committee passed them then it was assumed that the Legislature here would automatically pass them. I'm not sure that I like this procedure of the way we bring a private bill to a committee, and as long as the seven, eight or 10 members of the Legislature in that committee pass it, then

the rest of us here, the 117 here, are supposed to accept that.

Normally, if something is passed in the committee it is then brought to the Legislature and can be voted on. But as far as I'm concerned on this particular bill, Mr. Speaker, I agree with it in principle. I think we did alter it enough to satisfy the majority of the members of the committee and it now is left in the hands of the city of Hamilton council who have sole responsibility, and they are elected people.

Mr. MacDonald: Mr. Speaker, I don't want to speak to the substance of this, but there's a point raised by the minister that I think should be clarified, and I would just like to attempt to clarify it. On many, many occasions decisions taken in the private bills committee have been brought back to this House. On some occasions they were decisions that were taken by a majority of government members and were brought to this House and reversed by the cabinet because the cabinet didn't agree with them. So, the proposition—

Mr. J. R. Breithaupt (Kitchener): The university bills.

Mr. MacDonald: The university bills, right. I wasn't trying to cite any one because I haven't gone back to check on it. Normally a bill coming to the private bills committee is finally decided there and it doesn't have to come to the House. That's the normal rule. But there are exceptions, and this is the superior body and this is where we deal with those exceptions.

Hon. J. McNie (Minister without Portfolio): Mr. Speaker, because I had to attend a cabinet meeting at the time this item was discussed, I didn't have an opportunity to speak to it. I would just like to make one or two brief points.

First of all, I think Mr. Speaker, the issue here is whether an injustice has been done to an employee—and I repeat, to an employee —of the city of Hamilton, and whether the city of Hamilton should be given an opportunity to correct that injustice, which the speaker opposite has indicated might well have been done, in his not being called as an adviser, and in the long hearings having vindicated him but not without considerable expense to him and his reputation, notwithstanding what one may say, I think, Mr. Speaker, this bill should be passed without any further discussion.

Mr. Speaker: Are there any other members wishing to speak to this bill?

While there have been certain comments made which were not raised as points of order, I believe they actually were points of order and I believe that while the Speaker is not to enter into debate I should clarify my position as Speaker since it was alleged that a ruling had been made.

I do not recall having made any such ruling that there would be no debate. In fact, I believe it is quite in order to debate a private member's bill at second reading.

Motion agreed to; second reading of the bill.

CITY OF HAMILTON ACT

Hon. Mr. Winkler, in the absence of Mr. J. R. Smith, moves second reading of Bill Pr4, An Act respecting the City of Hamilton.

Motion agreed to; second reading of the bill.

WELLINGTON COUNTY BOARD OF EDUCATION ACT

Mr. Worton moves second reading of Bill Pr6, An Act respecting the Wellington County Board of Education.

Motion agreed to; second reading of the bill.

NIAGARA PENINSULAR RAILWAY CO. ACT

Mr. Breithaupt, in the absence of Mr. Deacon, moves second reading of Bill Pr7, An Act respecting the Niagara Peninsular Railway Co.

Motion agreed to; second reading of the bill.

INCORPORATED SYNOD OF THE DIOCESE OF ONTARIO ACT

Hon. Mr. Winkler, moves second reading of Bill Pr8, An Act respecting the Incorporated Synod of the Diocese of Ontario.

Motion agreed to; second reading of the bill.

TOWN OF STRATHROY ACT

Hon. Mr. Winkler, in the absence of Mr. Eaton, moves second reading of Bill Pr9, An Act respecting the Town of Strathroy.

Motion agreed to; second reading of the bill.

ROOT'S DAIRY LTD. ACT

Hon. Mr. Winkler, in the absence of Mr. Allan, moves second reading of Bill Pr10, An Act respecting Root's Dairy Ltd.

Motion agreed to; second reading of the bill.

TOWN OF INGERSOLL ACT

Hon. Mr. Winkler, in the absence of Mr. Parrott, moves second reading of Bill Pr11, An Act respecting the Town of Ingersoll.

Motion agreed to; second reading of the bill.

TARA EXPLORATION AND DEVELOPMENT CO. LTD. ACT

Hon. Mr. Winkler, in the absence of Mrs. Scrivener, moves second reading of Bill Pr13, An Act respecting Tara Exploration and Development Co. Act.

Motion agreed to; second reading of the bill.

TOWN OF WALKERTON ACT

Mr. Sargent moves second reading of Bill Pr14, An Act respecting the Town of Walkerton.

Motion agreed to; second reading of the bill.

CITY OF KITCHENER ACT

Mr. Breithaupt moves second reading of Bill Pr15, An Act respecting the City of Kitchener.

Motion agreed to; second reading of the bill.

CITY OF ORILLIA ACT

Mr. G. E. Smith moves second reading of Bill Pr16, An Act respecting the City of Orillia.

Motion agreed to; second reading of the bill.

DIAMOND AND GREEN CONSTRUCTION CO. LTD. ACT

Mr. Breithaupt, in the absence of Mr. Singer, moves second reading of Bill Pr17, An Act respecting Diamond and Green Construction Co. Ltd.

Motion agreed to; second reading of the bill.

VICTORIA HOSPITAL CORP. ACT

Hon. Mr. Winkler, in the absence of Mr. Walker, moves seconding reading of Bill Pr18, An Act respecting Victoria Hospital Corp. and the War Memorial Children's Hospital of Western Ontario.

Motion agreed to; second reading of the bill.

BOROUGH OF NORTH YORK ACT

Hon. Mr. Winkler, in the absence of Mr. Bales, moves second reading of Bill Pr19, An Act respecting the Borough of North York.

Motion agreed to; second reading of the bill.

UNIVERSITY OF WESTERN ONTARIO ACT

Hon. Mr. Winkler, in the absence of Mr. Walker, moves second reading of Bill Pr21, An Act respecting the University of Western Ontario.

Motion agreed to; second reading of the bill.

WATERLOO-WELLINGTON AIRPORT ACT

Mr. Good moves second reading of Bill Pr22, An Act respecting the Waterloo-Wellington Airport.

Motion agreed to; second reading of the bill.

CITY OF CHATHAM ACT

Mr. Breithaupt, in the absence of Mr. Spence, moves second reading of Bill Pr24, An Act respecting the City of Chatham.

Motion agreed to; second reading of the bill.

SAVINGS AND INVESTMENT TRUST ACT

Hon. Mr. Winkler, in the absence of Mr. Morrow, moves second reading of Bill Pr25,

An Act respecting Savings and Investment Trust.

Motion agreed to; second reading of the bill.

LAKE OF THE WOODS DISTRICT HOSPITAL ACT

Mr. Maeck moves second reading of Bill Pr26, An Act respecting Lake of the Woods District Hospital.

Motion agreed to; second reading of the bill.

PRESBYTERIAN BUILDING CORP. ACT

Hon. Mr. Winkler, in the absence of Mr. Dymond, moves second reading of Bill Pr28, An Act respecting the Presbyterian Building Corp.

Motion agreed to; second reading of the bill.

CITY OF WINDSOR ACT

Mr. B. Newman moves second reading of Bill Pr29, An Act respecting the City of Windsor.

Motion agreed to; second reading of the bill.

CITY OF LONDON ACT

Hon. Mr. Winkler, in the absence of Mr. Walker, moves second reading of Bill Pr31, An Act respecting the City of London.

Motion agreed to; second reading of the bill.

THIRD READINGS

The following bills were given third reading upon motion:

Bill Pr1, An Act respecting the City of Belleville.

Bill Pr2, An Act respecting the St. Catharines Slovak Club Ltd.

Bill Pr3, An Act respecting the City of Hamilton.

Mr. Speaker: Shall the motion carry?

An hon. member: No.

Mr. Speaker: Those in favour of third reading of the bill will please say "aye".

Those opposed will please say "nay".

In my opinion the "ayes" have it.

I declare the motion carried.

THIRD READINGS
(*continued*)

Bill Pr4, An Act respecting the City of Hamilton.

Bill Pr6, An Act respecting the Wellington County Board of Education.

Bill Pr7, An Act respecting the Niagara Peninsular Railway Co.

Bill Pr8, An Act respecting the Incorporated Synod of the Diocese of Ontario.

Bill Pr9, An Act respecting the Town of Strathroy.

Bill Pr10, An Act respecting Root's Dairy Ltd.

Bill Pr11, An Act respecting the Town of Ingersoll.

Bill Pr13, An Act respecting Tara Exploration and Development Co. Ltd.

Bill Pr14, An Act respecting the Town of Walkerton.

Bill Pr15, An Act respecting the City of Kitchener.

Bill Pr16, An Act respecting the City of Orillia.

Bill Pr17, An Act respecting Diamond and Green Construction Co. Ltd.

Bill Pr18, An Act respecting Victoria Hospital Corp. and the War Memorial Children's Hospital of Western Ontario.

Bill Pr19, An Act respecting the Borough of North York.

Bill Pr21, An Act respecting the University of Western Ontario.

Bill Pr22, An Act respecting the Waterloo-Wellington Airport.

Bill Pr24, An Act respecting the City of Chatham.

Bill Pr25, An Act respecting Savings and Investment Trust.

Bill Pr26, An Act respecting Lake of the Woods District Hospital.

Bill Pr28, An Act respecting the Presbyterian Church Building Corp.

Bill Pr29, An Act respecting the City of Windsor.

Bill Pr31, An Act respecting the City of London.

Bill 26, the Land Transfer Tax Act, 1974.

Mr. Speaker: The motion is for third reading of Bill 26. Shall the motion carry?

Mr. Breithaupt: No.

Mr. Speaker: Those in favour of furthering Bill 26 will please say "aye."

Those opposed will please say "nay."

In my opinion the "ayes" have it.

I declare the motion carried.

Motion agreed to; third reading of the bill.

Clerk of the House: The 19th order, House in committee of supply.

ESTIMATES, MINISTRY OF ENERGY
(*continued*)

On votes 1801 and 1802:

Mr. Chairman: Last night when we adjourned we were dealing with votes 1801 and 1802. Does any speaker wish to speak on 1801?

Mr. E. Sargent (Grey-Bruce): Yes, Mr. Chairman.

Mr. Chairman: The hon. member for Grey-Bruce

Mr. Sargent: I have a few brief questions, Mr. Chairman. With regard to the estimates last night, the minister made a statement, and in Hansard he was quoted as saying that BP was still making less than 10 per cent return on its investment and I interjected with, "Is that bad?" The minister said, "I would say it is completely wrong when I can make 11 per cent on someone's mortgage." I said, "One per cent, you mean."

My point is, Mr. Chairman, is that the man who is in charge of spending $2 million under this estimate and who is also charged with directing $8 billion of Hydro funds, doesn't know that money today is worth about 11 or 12 per cent. He thinks he is making 11 per cent profit on an 11 per cent mortgage. In other words, here is a man entrusted with all these moneys and he thinks it is okay for the oil companies to make 45 to 70 per cent profit over last year. He thinks they should be making more than 10 per cent and 18 per cent like Imperial is on invested capital. He comes up with a brainwave; I'll say again just for the record, he said "I would say it is completely wrong where I can make 11 per cent on somebody's mortgage." That is the intelligence of the man who directs this ministry.

Mr. Chairman: Order.

Mr. Sargent: What do you mean, order? He is the one who is out of order. He does not know what in hell is going on.

Mr. Chairman: Let's get back to the vote.

Mr. Sargent: I would ask the minister—

Mr. D. C. MacDonald (York South): The minister must have patience.

Mr. S. Lewis (Scarborough West): In fact, your patience is infinite.

Mr. Sargent: Insofar as this energy policy is concerned, Mr. Chairman, I would like to ask the minister what coverage is Ontario Hydro, in consort with AECL, giving insofar as protection and insurance are concerned to the people of Ontario at this point?

Hon. W. D. McKeough (Minister of Energy): I don't think that is a question I can answer. I don't think AECL is providing insurance. The organization which is perhaps providing not insurance but which is charged with the responsibility for safety is the Atomic Energy Control Board. I think it has as high if not higher standards than anybody in the world.

Mr. Sargent: Mr. Chairman, in this ministry and the area in which I live, we have had a $1 million mistake at Douglas Point. We have had leakages and they are closing the park; they are putting up huts to protect the people. It's a matter of record that no insurance company in Ontario or Canada will give any insurance against nuclear power radiation.

The insurance companies have watched the growth and burgeoning of the nuclear power programme and have lost no time in taking steps to protect their industry. They have, Mr. Chairman, specifically planned to protect the insurance industry against the nuclear power industry. I ask anyone in this Legislature, anyone in Ontario, to check their insurance policies on anything they have—property, buildings, life or anything or personal safety. They will see there is complete exclusion from the hazards of nuclear power.

In Douglas Point we have had, as I said, two gas leaks. Two years ago they made a $1 million mistake and they would have covered this up but I found it out by accident. I brought it up in the House and they denied it in the House. They finally admitted there was a $1 million mistake and they are now building huts to protect the people up there. They are closing our park because of

fallout and radiation and the odours and dangers.

I asked the minister, Mr. Chairman, in the House a month or so ago about the fact that the officials of the Atomic Energy Commission of Canada have refused to meet scientists, the ones who have written the book called, "Poison Power", and who are the outstanding authorities in the case against nuclear power plants in America. They wanted to come to Canada to go on television to discuss the situation here with people and to let them know what is going on. The officials of AECL have refused to meet these scientists on a TV show and to let the public know the facts and the hazards. I asked the minister about this and his response to me was, "Talk this over with your friends at Ottawa."

The minister is the one who is charged with this programme here in Ontario and he is the one who should have some answers. What is he afraid of? What is he trying to cover up? Why doesn't the minister tell the people and let them know the facts and what's involved in this $8-billion programme that he is involved in? The problem with nuclear radioactivity is that there is much more long-lived radioactivity produced in one large nuclear power plant every year than there is in the explosion of about 1,000 Hiroshima bombs. When I say long-lived radioactivity I mean long-lived. Some lasts for 100 years, some for 200 years and even 240,000 years before decaying fully.

Get this, Mr. Chairman, on the energy programme we are involved in. Unprotected, above ground nuclear power plants loaded with radioactivity in their cores would certainly be large liabilities in this country if we were ever under attack. They seem, I believe, to make this country completely indefensible. Aside from the fact of sabotage or an accident, allowing just one per cent of the inner radioactivity to escape from one plant would put as much harmful contamination directly into the environment as 10 Hiroshima bombs. It would not be spread out all over the atmosphere, it would be concentrated in just one or a few areas.

Instead of the government preventing this extraordinary possibility, hell-bent as they are on the programme we are now involved in, we have observed that the government allowed harmful conditions to happen in Lake Erie, in our air and water, for example, and other pollutants. It is clear that the citizens had better not hope for the government to save them from the dangers we are faced with in nuclear power. Under the same energy programme, I am concerned about the fact that there is no insurance coverage against it. The insurance companies do not trust this source of energy.

Regardless of this minister and his friends and vested interests involved in the great profits, I am told by an authority in Hydro that, if you think, Mr. Chairman, there was hanky-panky going on with Mr. Moog and the Premier (Mr. Davis) in the $44 million deal of the building of the Hydro building, you should see what is going on in the contracts being let in the $8-billion programme in buying equipment on a no-tender basis.

We could talk forever about this and I know we will never get through. The facts are that the people do not know what they are involved with.

What I am concerned about, as I mentioned last night, is that we have, Mr. Chairman, ongoing secret negotiations with about 60 major firms, most of them all-American, to get them into the act and, to use the words of the minister, give them a piece of the action of Hydro. The minister conceded last night that they have boiled them down to five firms and they are going to announce to the House what five firms have a piece of the $600 million action, as he calls it.

I think it's an insult to the people of Ontario that these deals can go on behind closed doors to sell out Hydro to the vested interests which this minister and this government protect. So I insist, Mr. Minister—and I would hope you would answer this—that you tell the House who the five firms are and that these firms are not foreign controlled at this point, which will take a large bite out of the future rates of Hydro and the people of Ontario. I wait for your answer on that point right now.

Hon. Mr. McKeough: I indicated last night, Mr. Chairman, that I wasn't yet aware which were the five firms which have made proposals. As for the 60 firms, I don't know whether there were that many that the material went out to, or whether they all expressed an interest or not. I am not sure. That information has not yet come from the board of directors of Hydro to me. When it does, I will be glad to answer the question, but it is a matter which is being considered by the Hydro board at the moment and on which no decision has been reached, to my knowledge, and therefore it has not come forward to me.

So I simply can't give the member the answer to the question, but I can say this, to my knowledge a number of firms which

expressed interest were American firms, American firms located in Canada, 100 per cent Canadian-owned firms, British firms, and I think somewhere I seem to recall there was interest from a German firm as well, but as I say, this is in terms of financing particularly and they were not all American firms. There was a sizable representation of Canadian interests on the list of interested parties.

The member asked a couple of other questions which perhaps I could clear up now. The member did ask in the house about AECL officials refusing to meet with certain scientists. AECL is an emanation, a Crown corporation, of the government of Canada and I certainly can't account for it. However, Hydro did send the member's comments in the Throne debate to AECL, and they have no knowledge of any request which has been made to AECL officials to appear on any televised debate in Ontario. They have, in fact, appeared on a number of television programmes in various parts of Canada, but specifically they don't know what the member is talking about in this particular instance. I suppose if he has more specific information they would be glad to try and indicate why—

Mr. Sargent: His name was Dr. Dewar of AECL. I gave you that before.

Hon. Mr. McKeough: Dr.—well—

Mr. Sargent: AECL.

Hon. Mr. McKeough: Well, all I can go by is that AECL have indicated that to their knowledge, their people have not refused to appear in debates. They do express the reservation that they have appeared in debates. They can't always do so. They would prefer to debate, I think, with Canadian people rather than with imports from across the border, which seems reasonable, but they do their best, as do Hydro, to meet public requests for information, for debates, for speeches and so on, and in my certain knowledge, AECL have been most forthcoming and willing to appear. Dr. Dewar, I am just informed, is not with the—

Mr. Sargent: AECB, I am sorry.

Hon. Mr. McKeough: He is with AECB, which of course is the safety arm of the government of Canada. I don't know that we have been in touch—yes, Hydro contacted the president of the board of AECB and they have not been requested to take part in any debate on radiation effects or nuclear power, so that's the only information I can give the member.

The member also talked about insurance and I am informed that the federal government indemnifies the utility or contractors against claims arising from nuclear hazards, that is, damage arising from a nuclear accident, and in fact the government of Canada is carrying the insurance.

Mr. Sargent: How much is the coverage?

Hon. Mr. McKeough: I think it is unlimited.

Mr. Sargent: I suggest the minister doesn't know what he is talking about—and further, Dr. Dewar of AECB told me that he "refuses to sit with critics who would attack us." That is his quote to me and I challenge the minister to get him up off his butt and to find out why. We are the ones concerned here, not AECB; it is the people of Ontario I am concerned about and who should know exactly what is going on.

Hon. Mr. McKeough: The doctor, of course, is in effect a federal civil servant and I have no authority to move him from—

Mr. Sargent: Well the minister had better get some authority if you are going to run that ministry. The minister had better know what is going on.

Mr. Chairman: The hon. member for Windsor West.

Mr. Sargent: I still have the floor, Mr. Chairman; I am still on the floor.

The area that I am concerned about is the Douglas Point area. We have a report from Mr. Norman Pearson with regard to the Bruce nuclear power development and the adjacent municipalities and the preliminary assessment of the impact it is going to have on our area. Has the minister seen that report as yet?

Hon. Mr. McKeough: I don't know that I have specifically seen that. Hydro has commissioned a report—the Gillen report—which is an impact study on the whole of Bruce county and the area; a financial report covering a whole variety of areas. That report is in the process of being produced. As I recall, it was going to be available probably this June. They are meeting with local officials, with school boards, with the hospital board, with whoever wants to come forward—and certainly the municipal councils. Out of this will come probably recommendations as to what Hydro should do or not do in terms of—not minimizing the impact, I suppose easing the impact might

be a better word, of the very large construction programme which will be under way at Bruce.

Mr. Sargent: Mr. Minister, we are talking about and looking at $22 million of money which will have to be forthcoming from somebody, according to this study. We need, for example, in the town of Chesley, $1,786,000; Port Elgin, $3,012,000; Southampton, $2,147,000; Paisley, $836,615; and the townships of Bruce, Huron, Kincardine and Saugeen, they range from $765,000 to $1.5 million.

I am most concerned that the government is going to go this dangerous route for power, when we have ample hydro power in the north country. There are millions of lakes up there that will provide all the power we will need and we have a cushion right now of power.

We are almost bankrupt in this province. We are paying now about $2.5 million a day on the debt we owe; we are pioneering for the world. Let somebody else do this hell-bent nuclear power search the government is on now. The minister in his own words said that although "we are not broke we are going to be drained severely." So the government is now looking for help from the private sector to continue.

I want to ask the minister one thing before I sit down. We have been committed for another $3 billion since the minister took office. Now, was that $3 billion on the plan being borrowed by Hydro, or did the minister put it into effect? The minister has stepped up the programme to an $8 billion programme.

Hon. Mr. McKeough: The programme has not been stepped up just since I have been minister; the programme has gone forward since the time I have been minister.

Mr. Sargent: Mr. Minister, in the last four months we have stepped the programme up to a new figure—it is an $8 billion commitment in Hydro, and that is a fact.

Hon. Mr. McKeough: Over what period of time?

Mr. Sargent: Until 1982.

Hon. Mr. McKeough: It goes much beyond that. There has been no substantial change in the figures, and there have been really no large tender calls yet in terms of the nuclear programme. As those calls come in, I imagine the figures will be adjusted; but there has been no increase in the megawatt—

Mr. Sargent: The minister knows that when he took over there was a $3.5 billion programme—and now that has jumped to $8 billion. I want to know: Did he start that or did Hydro start that?

Hon. Mr. McKeough: Hydro.

Mr. Sargent: Okay, thank you.

Mr. Chairman: The hon. member for Windsor-Walkerville. We had better alternate.

Mr. B. Newman (Windsor-Walkerville): I won't be long.

Mr. Lewis: It is all right. He was on his feet; he won't be long.

Mr. B. Newman: Thank you, Mr. Lewis.

Mr. Chairman, I wanted to make a few comments concerning this estimate and one is the need for some clarification on the part of governments—not necessarily the government of Ontario—concerning nuclear energy. Because when one reads in the paper, you get one point of view one day that it is extremely hazardous, dangerous, that people are going to be subjected to all types of radiation; and the next day you read a completely opposite point of view.

The minister knows of the Fermi plant in the State of Michigan, on the way to Toledo out of Detroit. That plant was started in 1955 and has never been active; it has had problems ever since, and that's going on to some 19 years. In addition, when we look at the State of Michigan, we see that they are going to have 10 large atomic plants by the year 1983. I know their technology is different from ours and, as a result, there may be some types of radiation hazards. But as the winds are prevailing westerlies, and if radiation is generated as a result of faulty construction, poor technology and so forth, naturally the fallout would effect the Province of Ontario.

I think it is incumbent upon governments —our own, provincially and federally, even world governments—to perhaps clarify once and for all the hazards that we may be subjected to as a result of the amount of technology we have today or our lack of technology in relation to the use of atomic energy.

Could I get a response from the minister on that? Then I have two other items I would like to talk about.

Hon. Mr. McKeough: Mr. Chairman, I suppose the latest study so far as Ontario is

concerned, would be the report No. 3 of Task Force Hydro, which indicated that so far as we are concerned, nothing can be completely guaranteed but that in their view—and I think we accept this—the Candu system is a safe system and that every step is being taken to make it as safe as possible. I think the evidence of scientific opinion in this country, certainly in this country, would support that.

But when one picks up the paper, I quite agree, one finds someone sounding off every second day that nuclear power is unsafe. I don't suppose this will ever be completely resolved to anybody's satisfaction. Certainly I am not capable of saying whether something is safe or not. We rely on the advice of experts, and I think the experts who not only advise the Ontario government but the government of Canada, through the Atomic Energy Control Board—and the advisory committee includes Ontario civil servants—are satisfied that what we are doing, we are doing in as safe a way as is possible. It's a value judgement.

There is no question, I suppose, that an automobile is not as safe as a horse and buggy, but a decision was made by society that we liked automobiles. And it's our decision that we like cheap power, hopefully—and it is—safe power, therefore we have gone nuclear.

The member for Grey-Bruce talked about waterpower; that simply isn't correct. He talked about all the lakes in northern Ontario. The fact is, I think—the member for Sudbury (Mr. Germa), has asked this question on several occasions—that, as I recall the figures, there are about 2,000 mw or 3,000 mw of power which might be developed in northern Ontario, roughly the size of the Pickering nuclear generating station.

I think it is also fair to say that my friend from Thunder Bay and the member for Rainy River (Mr. Reid) would say that it will not be easy to develop most of those sites because of the legitimate concerns of the local people, of the native people. I recall the difficulty that the hon. member for Lambton (Mr. Henderson) got into when he suggested playing around with a little bit of water in the north.

I don't say that Hydro won't develop that 2,000 mw or 3,000 mw, or some part of it, in the next few years, the next decade or two or three decades. I think it will not be an easy thing to do and it certainly won't be done until we're sure there are full studies of the environmental, economic and socio-economic impact on the area and on the people. To simply say we should be developing waterpower—it is an alternative which is no longer open to us.

In the country as a whole we have enough; there is enough unused waterpower, something like 40,000 mw or 50,000 mw, roughly the amount the country is now using totally to generate electricity. There are enormous resources still of unused waterpower but very little of it is in Ontario; quite a bit of it is in Newfoundland and I suppose a lot of it is in British Columbia. In British Columbia the further development of waterpower is practically coming to a standstill because of environmental reasons. That is not true in Newfoundland and probably not true in Labrador.

I think the country as a whole will develop considerably more electrical power from water sources but that is not really an option which is open to us in Ontario.

Mr. B. Newman: Thank you.

Hon. Mr. McKeough: I am told that plant, by the way, has produced power; not much, but it has—

Mr. F. A. Burr (Sandwich-Riverside): Twenty-six days.

Hon. Mr. McKeough: Six days?

Mr. Burr: Twenty-six days.

Hon. Mr. McKeough: I would have to say, of course, that it points up the superiority of the Canadian system.

Mr. B. Newman: I am not going to argue with that, Mr. Chairman; I would always hope that we were a match for, if not superior to, many other parts of the world. We may be a little slow at developing certain other types of exotic energy but I personally would prefer to see a lot of the experimentation being done and the heavy financial outlay being expended by countries which are a little more affluent or have greater financial resources than we have. I think we can benefit by a lot of experimentation which goes on in other jurisdictions.

Time magazine on May 7, a year ago, had a very nice article concerning other exotic sources of energy—maybe not exotic but other sources of energy. They mentioned in their article that Russia will in a very short period of time obtain 10 per cent of its electrical energy from a new source called magnetic hydrodynamics. According to their information, it is supposed to be the most efficient power generation scheme. Naturally, they would always claim that theirs is the most efficient. Anyone who develops a scheme

claims that his scheme for the generation of power is the most efficient.

Magnetic hydrodynamics creates an electric current by passing a stream of hot ionized gas at high speed through a powerful magnetic field and it operates, so they claim, at 50 per cent efficiency. I think we have to look—and I would assume that the minister's officials as well as the officials on the federal level are looking—at experimentation which is going on in all jurisdictions.

I don't think we necessarily have to send all of our specialists to all of these meetings but we would be getting—I think the minister's officials are capable and intelligent enough to keep abreast with what is going on in all parts of the world as far as the generation of energy is concerned.

Hon. Mr. McKeough: They want to go but I'm afraid the member on my right is going to check up on how much we are going to spend on lunches and so on.

Mr. B. Newman: Mr. Chairman, I am speaking for myself only.

Mr. Lewis: One of the 22 Liberal positions.

Mr. B. Newman: There are only 19 on your side.

Mr. Lewis: But we have immense solidarity.

Hon. Mr. McKeough: Just on what you've said, because I am interested in what you say. What you have said is you wonder why Canada, as a small country, put the resources it did into a particular brand of nuclear programme. I could wonder about that, too.

When one looks back, it has been an enormous gamble. When one looks at the lack of success in the United Kingdom and to some extent the lack of success in Toledo, right next door to us, one wonders, quite frankly, at the courage which AECL, the government of Canada, Hydro and this government have shown. I'm somewhat staggered by what we did, and we've been more than lucky. We've been successful and Canadian technology and hard work have produced something which is highly successful.

What you're also saying though, I think, is should we be looking at other things which to some extent is in contradiction to the point that you've made. If you feel that perhaps Canada was awfully venturesome in going the Candu nuclear route, and I could agree with you, then perhaps it's better for us to sit back and see what some other people are doing before we go that route again. This is one of the reasons why I feel it's important in going the next step, whatever it may be, if we can find a partner, and the UK looks like a reasonable partner.

Mr. J. E. Stokes (Thunder Bay): Is the minister saying that he is uncomfortable in the role as a leader?

Hon. Mr. McKeough: No, I'm not uncomfortable in the role of a leader, but I recognize the fact that you're talking hundreds of millions of dollars and that you're talking about very high technology and scientific skill. If we obtain a partner in the UK, for example, to go the next step then I think that it makes a lot of sense.

The other point the member mentioned was MHD, for example, I'm told that Russia has one 25 mw plant which is not running. My officials would disagree with the article in Time magazine. That particular process was looked at and a great deal of money was spent on it by Britain, France, Germany, and they've all dropped it. Perhaps they are going ahead in Russia.

Russia has enormous resources of both uncommitted water power and thermal power, and that's the route I think that they'll continue to go for a long time. They're into every brand of nuclear reactor, as I understand it, on a very small scale and just on an experimentation basis, but most of their power for a long time to come will come from water power and fossil fuels of which they have an abundance.

Mr. B. Newman: Thank you, Mr. Minister. It just goes to show how incorrect information can be. That's why I earlier made mention of the hazards of atomic radiation.

Hon. Mr. McKeough: Right.

Mr. B. Newman: One hears one side of the story one day and the opposite side of the story next day. It's the same with solar energy. We hear that it is extremely important and that it can by the year 2000 provide all of the energy needs of the United States. Yet, if it could do it by the year 2000, it's kind of strange that the US Congress itself is going very slowly on it. In fact, on April 10 of this year, the Detroit Free Press carried a story from the New York Times service headlined: "Interest Cools Toward Solar Power as Fuel Alternative." The US is only allocating, according to this article, some $700 million for all types of experimentation in new, exotic forms of energy. Really, that's just a drop in the bucket for a big jurisdiction like that which recently was almost on

its knees as a result of oil embargos from the Middle East.

Mr. E. W. Martel (Sudbury East): Or so they tell you.

Mr. B. Newman: Even the head scientist in the US who was supposed to have been involved in the experimentation with solar power – and the fellow's name is Dr. H. Guyford Stever, director of the National Science Foundation and chief science adviser to President Nixon—is sceptical about the whole thing. So you see how confused the picture is when it comes to energy sources.

I would think that there will be a breakthrough in the not too distant future and that we will be able to get energy from sources that we haven't dreamed of today. When we look at technology and how far it has progressed in the last 25 years, with the use today of the computer and the most brilliant people we've ever had since man has been on the face of God's earth, I certainly think there will be a breakthrough and it will be a breakthrough which will not come along and adversely affect us environmentally and otherwise.

Mr. Chairman, I wanted to ask the minister, in the estimation of power need for the province, how do you break down your needs? Do you break it down the same way they do in the US where they have estimated that industry needs approximately 40 per cent of the power generated, that transportation requires about 25 per cent, and that housing and home consumption is approximately 35 per cent? Also, in figuring your estimates concerning our power needs, are you taking into consideration the slowing up of the birth rate, reduced immigration and the new social trends taking place, such as population not growing as rapidly as it has in the past, and looking forward to ZPG, zero population growth?

May I have some comments from the minister concerning this because I am disturbed that maybe we are overbuilding a lot of these energy sources? Remember how some eight or 10 years ago we clamoured for schools, schools all over, hospitals all over? Now we find we have surplus of schools. Sometimes the surplus happens to be not in the right location. It could be exactly the same thing – we might be planning for tremendous surpluses in energy resources.

Hon. Mr. McKeough: Before I deal with that, let me assure the member, the House and my friend from Sandwich-Riverside that I agree with a great deal of what the member has said in terms of solar energy or what he referred to as exotic forms. To put it very simply, in our view the day for them hasn't arrived. That is the advice of our people. We will continue to monitor what other people are finding and the day the breakthrough comes on any one of them, we will be on that bandwagon. I am sure of that and we will take advantage of the breakthroughs as they occur but they are a long way from occuring as yet.

Returning to the safety matter for a minute and what you read in the paper one day and what you read in the paper the next day. I suppose the only comparison I can make is that for 15, 20 or 25 years, I guess, as long as I have been smoking, I have read in the paper one day that it was safe and the next day that it wasn't. There is an impressive array of advisers on both sides of that issue – people who would say that it is not good. Yet in Elgin county and elsewhere we go on growing tobacco and producing cigarette and pipe tobacco.

I think to some extent the clash between scientific opinions can be compared to the same thing. All I can say is I am confident that the advice we are getting in terms of the safety aspects and the controls which are placed by the AECB on Douglas Point, Bruce and Pickering are as tight and as tough as they can be. Those aren't just federal controls, as I've said. They come from advice from our own ministries – Health, Environment, Natural Resources, Labour. They all sit on an advisory committee to the AECB; the local MOH, I think is on the committee or somebody from health is. I think we are getting as good advice as we can and we are satisfied with the results of it.

You asked about forecasting. I would agree with what the member has said. There is a forecast unit in Hydro, which is where the whole thing begins, and where the projections are made. It becomes more difficult, really, than hospitals or schools; much more difficult because the lead times are longer. You can start to plan and build a hospital—if you can get rid of the red tape, I suppose —in three or four years; a school in something less than that. I suppose, really, the minimum time today for a nuclear generating station or even a fossil fuel station—because of the environmental considerations, because of the steps of public participation, because of ordering the equipment and because of the sheer size of it—I think you are looking at something that isn't really less than 10 years. Therefore, if you are out in the first year,

the probability is you are going to be much further out in the 10th year. It is an immensely difficult exercise.

All the things that you mentioned—population growth, immigration, change in the birth rate, industrial trends in terms of industrial consumption, household trends — all those things are being fed into the forecast unit and I think they are satisfied that they are doing the very best job that they can. Having said that, that was one of the items which Mr. Macaulay spent some time on at the Energy Board hearings. I wasn't there but I read that particular part of the transcript and he devoted more than a little bit of time to it and directed the board's attention to that aspect in his summary at the end of phase one.

As I recall, and I am not passing judgement on this, he suggested strongly that the forecast unit should be further strengthened. I think he wanted some economists or something in the forecast unit. I have forgotten what his recommendations were. Now, whether the board, in their wisdom, decide that those suggestions make sense or not, I don't know. The phase one report will be out—I don't know how soon—in a couple of months, and we will see what the board thinks about Macaulay's views of the forecast unit and they will certainly be looked at then by Hydro. But it's not just in Hydro, it's an immensely difficult area.

One of the things that somewhat worries me, in looking at a whole host of projections, in the oil hearings, we have seen that the figures from the oil hearings which the various companies and the board itself has prepared as to the projected size of the market, this was also true in AEC, it was also true I think in Task Force Hydro, and most of these projections, which go on 15 or 20 years, show electrical energy as having about the same size of the total energy market as it presently has, something like 20 per cent in this province, perhaps growing a bit. But if there were a dramatic switch, and it doesn't happen overnight, to electric heat, if somebody made a breakthrough in terms of an electric car — and the CPR, you may have noticed, are starting to talk about the possibility of conversion from diesel to electrification on the Windsor-Montreal run as being a place to start—if some of those things start to happen and it will only be a change of a half per cent a year, less than that I suppose, then the power needs of the province which are being put forward now by Ontario Hydro before the Energy Board will grow very rapidly and very quickly in spite of whatever conservation measures are adopted or in spite of escalating costs reducing demand.

If there is a switch in the total energy package, from oil or gas to electricity, for example, then to use the phrase "We haven't seen anything yet." That worries Hydro and it worries me, but what the distribution will be I don't know. I am sorry I can't say more about the forecast unit. I can tell you that they think they do a very good job. Hydro think they do a very good job and they are continually updating themselves to make sure they are doing the best job possible, but it is a highly difficult area.

Mr. B. Newman: I just wondered if the minister's officials took into consideration the growing national trend for the greater processing of our raw materials. We are primarily exporters of a lot of the raw material and as our people become more and more conscious of it they are going to want the resources of our mines and forests processed into the finished product in Canada, or processed to a greater degree than they are now, and I would assume that, would mean a tremendous requirement of energy.

I wanted to ask another question of the minister, and this is the last one, concerning the super power lines. I can recall reading an article in one of the American newspapers. which mentioned that the electric force from a high-power line has so much energy that an individual could carry a fluorescent tube in his hand and it would glow if he were within 150 ft of the carrying towers. Is there some hazard as a result of these high-tension wires and super power lines being placed all over the environment, all over our farmland and so forth, and likewise coming into our cities?

There is also the comment that automotive equipment will not start if it is parked directly under one of these transmission towers. Is there any danger at all, physical danger to the individual, as a result of the extremely high voltages carried by these super power lines?

Hon. Mr. McKeough: I am informed that there is no hazard. It's static electricity and is like walking on this rug. In builtup areas you see fences around the bottom of towers. They are there to stop kids and people from climbing up the towers, not because there is an electrical danger per se.

Mr. B. Newman: Mr. Minister, you're referring to towers that are carrying probably 100,000 volts or so. But I understand that once you go over 500,000 then it's a com-

pletely different story. I'm no expert but I'm simply telling you what I happen to have read.

Hon. Mr. McKeough: I don't think so, but we'll be glad to get an answer for the hon. member and perhaps put it in writing for him.

Mr. B. Newman: Thank you.

Hon. Mr. McKeough: I'd be interested, too.

Mr. Chairman: The hon. member for Scarborough West.

Mr. Lewis: Could the Minister of Energy refresh my mind about the uranium contracts that have been entered into with Japan and, I think, are in the process of arrangement with Spain, either on behalf of Denison or Rio Algom?

Hon. Mr. McKeough: No, I couldn't offhand. I don't think we've got that information here. The two contracts which have been announced are Denison and Rio Algom to Japan and to the UK—

Mr. Lewis: Oh.

Hon. Mr. McKeough: —neither one of which has been approved, as we understand it, by the government of Canada. But I can't give the hon. member the figures or the tonnages offhand.

Mr. Lewis: Explain the process to me for a moment. Does it go to the National Energy Board, or is it a cabinet decision in the export of uranium?

Hon. Mr. McKeough: It's not the National Energy Board, which we would say perhaps it should be. No, I think it's EMR and probably AECB, and then I think ultimately it is a cabinet decision. It's a grey area because the regulations and the legislation simply aren't there as clearly as they should be. But I think it's a cabinet decision ultimately; it's not an NEB decision and I don't think there's any provision for public hearings anywhere along the line. Again, we think there should be and—this is what our uranium paper attempted to point out—we think there should be procedures as there are in oil and gas, which may or may not have worked well, but there should be procedures which presumably will work better than no procedures.

Mr. Lewis: I appreciate that. I'm not going to take very long, but I'm going to get to the end-point I want in a rather circuitous route; I suppose that's the normal political process.

I think obviously the federal government is going to approve the export of these large quantums of uranium ore, primarily because it will be argued, and I guess legitimately, that it is for peaceful purposes, and that the government of Canada is not likely to inhibit the export for peaceful purposes. Obviously the Province of Ontario sees the approval being given, and obviously you see uranium centring or focusing more and more as a resource and a need in this province and beyond its borders, otherwise you would not have made the statement which you made, jointly with the Premier, some weeks ago about exercising rather greater control over the production and distribution of uranium in Ontario, asking in effect the federal government to relinquish some of that control, and indeed going so far as to suggest that the privatization of the uranium industry should extend now to greater foreign control than was previously the case.

I'm not going to argue with you on the philosophic legitimacy of greater foreign control in the uranium industry; we wouldn't get anywhere. You have a view and the NDP has a view, and we are diametrically on opposite sides of the fence.

Hon. Mr. McKeough: Mr. Chairman, with respect, I don't think we are. I see what the member has said from time to time. Let me put this in simple terms. We think there should be greater exploration for uranium in this country, not just in Ontario, but it Saskatchewan as well and probably in Newfoundland. One of the things which is seriously inhibiting exploration—and you can read this on all sides and this is in our paper—is the very severe ownership requirements which were applied retroactively by the government of Canada to stop the Denison sale. I disagree with retroactive steps, although occasionally they have to be taken. What is wrong is that that step was taken four years ago and is still nothing more, I think, than a ministerial statement. There is no legislation and no regulation. The rules, which are more than than has applied in any other industry, in effect, were a 90 per cent Canadian control, which we don't impose on any other industry, and don't suggest should be imposed on any other industry.

I should send to you some of the people from the Bancroft area and from the Elliot Lake area. I am talking now about small Canadian prospectors, who may or may not have anything—I don't know—who will tell

you how very inhibited they are in looking for uranium and finding uranium, let alone doing anything about it, because of these ownership controls. The only company which I know of in the mining business which would qualify—and they may today and not tomorrow—to go out and look for uranium under those kinds of rules is Noranda which is 89 or 91 per cent owned in Canada.

I think that is wrong. I think there is a place for other Canadian firms. I think there is a place for Inco, which now by the way, is about 51 per cent Canadian-owned.

Mr. Martel: It went the other way last week.

Hon. Mr. McKeough: It went down again?

Mr. Martel: It went the other way last week. I was talking to them.

Hon. Mr. McKeough: Lord knows what the definition is of ownership. Outside the House, I said my definition in this case would probably be 51 per cent with some strings attached. The strings might be on the size of the block in the 49 per cent. If the 51 per cent were very widely held by a great number of people, then a block of 20 or 30 per cent might well control the total. I think there have to be some strings. Our real plea is, for heaven's sake, define the ground rules and make them known, so that the exploration for this resource can get on. We have companies which are looking for uranium now with some success—some of them foreign-owned—who don't know what they are going to do when they find it, because they don't know what the ground rules are.

Perhaps where we have a difference would be that you would say because the rules—and I don't think you are saying this—are established at 90, this is some sort of a retreat. If I were asked for a definition of Canadian control, I would say 51 per cent of Shell Oil and 51 per cent of General Motors and 51 per cent of the Ford Motor Co. I wouldn't worry about the other 49 per cent if the rest were held here in Canada.

Mr. MacDonald: You are the most militant socialist in the House.

Hon. Mr. McKeough: I don't think we have to own 100 per cent. I think we will jeopardize our position as a trading nation if we set out to make that our goal. I really think to some extent 90 per cent is in that category.

The primary thrust of the paper is to encourage the finding of uranium. This is the disturbing thing about the sales. I think I said this to the member for York South some months ago after the first sale, that to the best of our knowledge and information we are not disturbed about the size of those two sales. I don't think you should think they are fait accompli either.

Mr. Lewis: Okay.

Hon. Mr. McKeough: I hear some rumours otherwise from time to time. If you had half a dozen sales of that size, you would start to worry. You particularly worry because nobody has been out looking for uranium. One of the ways, of course, to stimulate the looking for it is to get the sales going, but that is the story which we were told for years by the oil industry, and I don't think it is quite good enough to accept it today. We have got a hangup here.

It's obvious in the paper, as prepared by ourselves and the mines branch, that the conventional wisdom would say find the uranium and encourage the selling of it. We say that isn't good enough any more, that we would like to have a much better idea of what's there before we start worrying about the exporting of it. I don't think we are that far apart.

Mr. Lewis: Well—

Hon. Mr. McKeough: Certainly not as far apart as we were last night.

Mr. Lewis: No, no. We are just as far apart as we were last night. The minister is as unrepenting and unremitting a Tory as he always has been and I am as conscious a socialist as others in our caucus. And I know that makes the minister feel better, whether it's Thursday night or Friday morning, so I say it to put his mind at rest.

We are just as far apart because it's not just a matter of exploration for additional uranium. It's a matter of protecting the ore body that presently exists for domestic use, if that is our priority, given the patterns of export of energy resources over the past several years. And obviously, then, having some considerable control over the nationality of those who develop it.

I won't argue the minister's 51 per cent with him. If next month, 51 per cent of Shell and of GM and of Ford were Canadian-owned, I would consider that a modest first step on the road to repatriating our economy. We'll probably settle for that as a goal for May. I won't tell you what my goal is for June. But in uranium—in uranium we don't settle for that kind of halting step. We think

the 90 per cent figure is deficient because it should be 100 per cent.

Now, ideologically we would nationalize the uranium industry as an energy resource which belongs in the public sector. That's quite clear. Though that puts us so far apart that there is no coming together, except around Ontario Hydro, there is no question that we think there should be 100 per cent Canadian ownership if it can't be in the public sector. However, I am willing to accept, and New Democrats are willing to accept, that foreign capital may wish to participate in the exploration for and development of the uranium industry; or indeed other mining and energy resource sectors—I'm not sure we would inhibit that either. If they want to invest and participate and receive a fair rate of return on investment, fine. But we would not give them equity.

Those foreign companies do not have a right to equity in the primary energy resource that this province has left; if that is how this government intends to develop it. And that's again a simple, philosophic difference which is pretty profound and cannot be bridged.

What my colleague, the member for Sandwich-Riverside, has been asking and asking very compellingly is whether we're right of course to continue the whole nuclear development at all. And I must say that when he asks that I have to be honest about it—New Democrats, both in our provincial policy and on our federal policy, have not come as far as the member for Sandwich-Riverside has come. We still have nuclear power generation within the NDP provincial programme in Ontario. It's there and it is members like the member for Sandwich-Riverside who are trying to change party policy on this matter.

I would point out that the Social Democrats in Sweden are in the process of reversing their dependence on nuclear energy because of what they consider to be the hazards of the storage of radioactive wastes and the implications of the terrorist kind of attack which my colleague mentioned last night.

The New Democrats in British Columbia, in convention—I'm not saying that this means that the Premier and the cabinet will accept it—have passed a very anti-nuclear development resolution. And they didn't do it mindlessly. They did it in the context of the great debate that began with the atomic scientists and rages to this day and clearly raises enormous questions.

I remember sitting in Goderich a number of weeks ago with a number of people from the Bruce plant. I'm not going to name their names; some of them were very highly placed. I was in a private home and it was for two to three hours of one evening. And they talked to me very feelingly and entirely in moral terms about the possibilities of visiting what amounts to terror on subsequent generations—and how the devil do you make these moral decisions about the storage of radioactive wastes now which may wreak havoc 100 years from now?

Well, Mr. Chairman, there just have to be human beings around like the member for Sandwich-Riverside. There have to be people—politicians in this House—who stand and say that in terms of a moral imperative we are launched on a self-destructive course, and who have to warn, as others before him have warned, that once you set this process in motion you may be inviting destruction. He has his impact on this party. He has his impact on the debates in the House. I would have thought that the minister might be more generous and more open in his view of alternatives. Some of the comments have been a trifle specious. I don't mean to be deprecating when I say that. It's not like moving from horse and buggy to automobile, with respect. It is much more profound than that in terms of some of the social consequences, the social implications. I would have thought you would have been a little more flexible about looking at some of the alternatives.

The innovative possibilities for the Province of Ontario are enormous. What you say you are going to do with magnetic levitation in terms of the whole transportation system in the western world, which you are initiating as a provincial government, rightly or wrongly for good or ill, you might conceivably initiate in terms of alternative sources of energy.

What my colleague from Sandwich-Riverside is putting is not in the slightest farfetched. He just suffers the anguish of being a man ahead of his time—he doesn't suffer any anguish; he just tenaciously continues to press what he senses to be the logic in the situation, that there have to be clean sources and safe sources of energy generation which cannot even be questioned, rather than dirty sources and questionable sources which are under constant public scrutiny. And I am glad he does it. I am kind of pleased that it is coming from this caucus in that way, and it should continue to come that way.

The truth of the matter is that for whatever reason—and obviously they are primarily

economic and technological and scientific, and I accept all that; I haven't sorted it out in my own mind, I must admit—you have decided on a nuclear course. Now you will see where my circuitous reasoning is getting me to. You could have guessed it had you thought for a moment. You are committed to the nuclear course.

You are going to develop X number of plants around Ontario. Some of them will be announced precipitately and inappropriately in advance by certain senior members of Hydro who will then back and fill frantically to reassure people in western Ontario that they are not going to be losing their bean crop and their land. Some of them will be presented a little more thoughtfully and sensitively by senior personnel in Hydro, so that the sites which are chosen, whether they are in the northwest or on the north shore, in western Ontario, will have a lead time and the public will be persuaded rather than having it raised as a matter of fear.

Whatever the decision, you are launched on a course of massive nuclear generation in Ontario. That means you are tying the uranium industry in this province right in to Ontario's future generating needs and that's one of the reasons why you have asked for your provincial controls that you set out in your statement two or three weeks ago.

All of that being true, Mr. Minister, I want to say to you as a friend and a colleague in the House, as well as a Minister of Energy, that you have got to do something rather more serious about the men, and perhaps eventually the women, who are working in the mines to provide you with the uranium on which your entire programme is based. You cannot, as Minister of Energy, simply say, "Our job is the generation of power from whatever source after it's there." You have to take a look at your colleagues and the responsibilities back to the source.

Something is happening in this province which is so perverse and so destructive it's really reprehensible. If we cannot persuade some of your colleagues of it, then perhaps we can take just a minute to persuade you of it.

I had a telegram from Elliot Lake. I want to read it to you. It came to me, I guess, three or four days ago, and it read as follows:

THE FOLLOWING TELEGRAM WAS SENT TO THE HON. LEO BERNIER AT 11:35 A.M., APRIL 22, 1974:

SEVEN HUNDRED URANIUM MINERS, EMPLOYEES OF DENISON MINES IN ELLIOT LAKE, ARE REFUSING TO CONTINUE TO WORK UNDER UNSAFE AND UNHEALTHY CONDITIONS. OUR MEMBERS OF LOCAL 5762 LEFT THEIR JOBS THURSDAY, APRIL 18, 1974, IN PROTEST OF THE EXISTING CONDITIONS AND DEMAND IMMEDIATE ATTENTION TO THE PROBLEM. OVER 60 UNSAFE AND UNHEALTHY ITEMS WHICH EXISTED FOR MANY YEARS AND ARE VIOLATIONS OF THE LAW HAVE BEEN PRESENTED TO THE COMPANIES. I AM ASKING YOU TO SEND SENIOR OFFICIALS OF YOUR DEPARTMENT TO ELLIOT LAKE IMMEDIATELY. OUR MEMBERS DEMAND THAT IMMEDIATE CORRECTIVE MEASURES MUST BE TAKEN TO REDUCE HUMAN SUFFERING AND FURTHER LOSS OF LIFE.

It is signed by G. H. Gilchrist, area supervisor, United Steelworkers of America.

Mr. Chairman, I visited Elliot Lake back in November. I met with members of the council, I met with the leaders of the union and I talked to them about the conditions of the mine, and I was talking to people who are frantically concerned about what is happening to them and to their friends and citizens in the community.

I was back to the Sudbury basin not very long ago – a week or 10 days ago – and I met again with the leadership of the Steelworkers, who are the representatives in Sudbury. I met with the president of the union at Rio Algom and the president of the union at Denison. Again they set out to me, almost frantically, their concerns about the conditions in the mine.

I want to remind the minister that what we are talking about here are health hazards so acute that there are very few parallels anywhere else in the mining industry. What has happened in the 18 years of Denison is that we have now discovered that nearly 10 per cent of the present work force suffers from continuing silicosis, that 140 silicotic pensions have been given between Jan. 1, 1974, and March 1, 1974, by the Workmen's Compensation Board.

When I talked to the president of the Denison union last week, he talked to me – in tones that were kind of hushed, kind of traumatized – of the young man who had been taken down to the Princess Margaret Hospital that afternoon with confirmed cancer. Maybe that isn't a direct consequence of the mine. I don't know.

Certainly the levels of radiation hazard and what the men are hearing have persuaded them that cancer is now a serious possibility. Certainly the Ministry of Health has begun to take it seriously, because for the first time in as many years as we can remember, the Ministry of Health is starting to do tests.

But all the testing in the world is of no consequence unless the Ministry of Natural Resources changes the conditions beneath the ground and does something about the conditions in the Rio Algom and Denison mines, although Denison uses much older equipment.

I guess what I am saying to the minister is that if we are going to build the economic base of Ontario over the next generation on the provision of energy from nuclear sources, then the government has got a moral responsibility to protect – almost more zealously than it has ever protected any other workers in its life – those who are in the mines at Denison and Rio Algom in Elliot Lake.

I want to tell the minister—I know he will rise and defend his colleague, and I fully expect him to do that; I understand cabinet solidarity—I want to tell him that the Minister of Natural Resources (Mr. Bernier) doesn't understand what is happening in Denison and Rio Algom—and he doesn't care very much. Otherwise, he would not make the kind of defensive and apologetic statements he made in the House; otherwise he would not go outside the House and talk about the miners exaggerating the problem.

Who in hell is he, sitting here day after day in these plush surroundings, to say whether the miners working underground in Denison are exaggerating the problems when 10 per cent of them have silicosis and when they are discovering cancer cases! What kind of preposterous self-indulgence is that on the part of the Minister of Natural Resources? Where does he get the insufferable presumption to toy with human life in that fashion? Because that is what was being done both here in the House and outside the House.

The people in the Ministry of Energy have some kind of responsibility, I think, to say to the Minister of Natural Resources that 700 men don't walk off the job like that; they don't submit that kind of argument if there is not a basis for it. The ministry had a mining investigative report in 1961 which prophesied what would happen. Not a thing has happened from that day to this, except through the Ministry of Health.

I don't exempt the Ministry of Health, but so that you know I am not coming to you as a kind of mindless partisan, I concede to you that the Minister of Health (Mr. Miller) and the ministry are doing something. They are taking it seriously. I know my colleague from Sudbury East has been speaking to the Deputy Minister of Health quite frequently over the last two months and assures me that at least from Health there is a response. From Natural Resources, I say to you, there is no response at all. And it kind of terrorizes a whole community, because the spectre of silicosis and cancer is one that a government just pounces on. You just go into Denison and Rio Algom and you change the rules underground in a way that you've never dealt with those companies before in your life.

Now, then, there was a meeting. On the day that the minister was making the statement about how good things were and how hard they were working at it, on that very day there was a meeting in Elliot Lake. Five hundred miners emerged at that meeting—my colleague from Sudbury East can tell you more about it in detail because he was there—miner after miner came to the microphone and talked about the conditions in the mine. And it would cause your hair to stand on end. If you were Minister of Natural Resources you would not tolerate it. Let me tell you that, as someone who knows you a trifle. And the fact that these miners should emerge—they are on a wildcat, for heaven's sake, they are out on strike. They know that it's not legal. They know that. The meeting was—

Mr. Martel: What have they got to lose?

Mr. Lewis: The meeting was absolutely orderly. Usually wildcats' meetings are tumultuous, almost always. I've been to some of them. In this case, the meeting was absolutely orderly.

It was fully self-disciplined. One after the other they described the conditions in the mines. And as my colleague from Sudbury East says, what have they got to lose? They are talking about their lives. I mean, I don't think there is much greater reason for going out on strike than to preserve one's life, and that's what the issue now is in Elliot Lake. It's nothing less than that. And it can't be fobbed off with the kind of trivial responses which we got in the House.

Let me just read to you and then I'll sit down. Let me just tell you of the kind of complaints which they registered with the public and with Denison:

18-38 panel roadway too dry and too much dust.

ST8 smokes too much—operators complain eyes, nose and chest burning.

ST2 S-tram trainee seat too close to the yoke, could cut legs off a trainee.

Grizzly not safe. Jeeps and Unimogs do not stop, they proceed uphill at the same time as the scoop tram.

Have you ever seen a scoop tram, Mr. Minister? Have you ever seen a scoop tram?

My colleague from Nickel Belt and my colleague from Sudbury East and I were down at the 2,200 level of the North mine of International Nickel a week or 10 days ago and we toured the mine at some considerable length and we watched those scoop trams and I want to tell you they are bloody terrifying machines. I have never seen a machine like it. The way they move, the way they pick up the ore, the way they discharge it—it's like a juggernaut coming at you. And the proposition that in any mine the workers should be concerned about the operation of a scoop tram is something that cannot be defended on the part of government. The workers should not be concerned about that kind of thing. And that they set it out is something worth thinking about. In fact, I want to invite you to go down underground in Denison. I think you should.

Mr. Martel: Yes.

Mr. Lewis: I think as Minister of Energy, using these men as the source of supply for all that you want to construct in Ontario, you should take a day with some of your senior staff and go down underground in Denison.

Mr. Martel: And don't let them prepare it two days ahead of time.

Mr. Lewis: As a matter of fact, the mine we were down in International Nickel had the best safety record of all the mines underground that Inco runs, all 10 of them. But I'd like you to see Denison. I have a feeling that you would have a rather different perspective on what is happening in the generation of nuclear power and the need to safeguard it in advance as well at the end. To continue:

24209 panel misfired round, was mucked out—this is not a safe procedure.

26 panel—bad ventilation.

24 panel—no visibility.

9671 JDT travelling in own smoke—burns eyes and chest—operators complain.

Jeeps smoke too much.

D6 operators complain of too much smoke.

I could go through them one after another. There were 60 specific violations of the Mining Act and scores upon scores of specific hazards raised. Some of them are marginally comic, except if you are a worker.

There are a lot of workers in that Denison Mine for whom there aren't even washrooms. They relieve themselves beside their equipment. That's the nature of the mine at a number of levels in Denison. You have got primitive conditions; you have got bad ventilation and dust levels and radiation hazards. You have got serious and now proved violations of human health, dangers to human health, and nothing is happening except for the Ministry of Health testing.

I say to you as strongly as I can that the lives of the workers in Elliot Lake cannot be toyed with. You are putting too much dependence on them to do that to them. I am not talking to you about wages; I am not talking to you about fringe benefits. I am not talking to you about the cost of living index. I am just talking to you about the right of those who are engaged in the mining of uranium ores to be protected. The present situation is scandalous and the Ministry of Natural Resources isn't doing a bloody thing about it. The Ministry of Natural Resources suffers in its mining section from too many people from the industry; too many old boys from the industry, from management side, who find it tough to understand what the workers are experiencing in the mine.

Let me make one last point to you. Maybe some of it gets through, maybe none of it gets through, I don't know. I know you listen and you absorb but whether it ever has any influence I don't know. The workers who work in Denison can find no alternative employment. No one will hire them. Almost all of them suffer a disability already; almost all of them are silicotic in some degree or so it is now suspected; 10 per cent of them to a very considerable degree, proved. What do these people do? The uranium mines, for the majority of them now, are the only place to make a living. They are not acceptable anywhere else; they can't get jobs anywhere else.

Have you taken a look at the life expectancy table of these workers? Have you seen how long they live on the average after they're pensioned? Have you seen how many of them are on a disability pension now? It is like consigning them to a shorter life expectancy than all other kinds of workers in Ontario and then making no effort to provide them with security and safety on the job. That's just not acceptable. That ranges into the moral argument which my colleague from Sandwich-Riverside made last night.

Last night, on the three moral grounds he gave you in discussing the whole generation of nuclear energy, he started with ground No. 1: If it is going to cost the life of a single worker is it worth it? You are not without recourse for doing something about the mines in Elliot Lake.

Mr. Martel: Clean up the ventilation.

Mr. Lewis: You can move in there and do it overnight. You are not going to offend the companies by coming down hard. You will embrace the admiration of the whole community and the appreciation of a very large number of people.

All right. I have transgressed slightly but I think appropriately on the minister's estimates. We will have to pursue some of these things, not all of them, with the Minister of Natural Resources but clearly we must raise it here now because this is where it all begins. This is where your ministry originates for the next period of time.

I plead with you to speak to some of your colleagues, particularly the Minister of Natural Resources, and tell them to stop toying with human life. I use the phrase advisedly. There is no other way of describing the abdication of the mining branch of the Ministry of Natural Resources as it relates to Denison, Rio Algom and the community of Elliot Lake.

Mr. Chairman: The member for Rainy River.

Mr. T. P. Reid (Rainy River): Mr. Chairman, I want to make a few comments, not on the particular subject raised by the last speaker. I wanted to go into—

Mr. Martel: Mr. Chairman, I want to continue along precisely this line.

Mr. Reid: That's fine, go ahead.

Mr. Chairman: The member for Sudbury East then.

Mr. Martel: I won't talk too long on this. I spent last Monday evening in Elliot Lake and I listened and I taped. I could provide the minister with the tape of the entire programme as the men spoke with despair. There is no hope.

I questioned the minister this morning about getting de Bastiani to sit down and to start to talk to the men. The minister replied again that it is an illegal strike and that there is very little they can do. The minister kept emphasizing it is an illegal strike. Sure it is an illegal strike. I don't blame the men for not going back and they aren't going back and the situation is going to get nasty because of the 60 demands which were submitted to de Bastiani and to which he was to reply yesterday. He now has refused to reply in totality and he refuses to even consider negotiations until the men go back to work.

It would be ludicrous for the men to go back to work. They walked out because at least 10 per cent have silicosis. There are three terminal cancer cases and there is one man who has already died. We are talking of working people by the thousands. As one young man so eloquently put it the other night that, "I'm just a little over 30," he said. "If I stay in, I won't be around to play with my kids and I won't be around to pay for them to get to university if they want to go. What is the sense of going back to work?"

I put the question to the minister. What is the sense of those men going in unless there is some assurance from management and from the government, that it will be cleaned up? The Minister of Natural Resources has indicated that they are willing to do something now. This report was in 1961. I read to you only the first sentence. "In the Elliot Lake mines there is both a dust and a radiation problem." The mines branch, to my knowledge, has not conducted a test since that time. Not a single solitary test was conducted, as far as the mining commission goes, until late last fall. That was an interesting test. The federal government, as I understand it, was either invited in by the province or vice versa, and they went up to Elliot Lake and they conducted some tests underground.

Talking to the men who came down from Elliot Lake yesterday, I was told the mine was watered down for two days. That means that every effort was being made to get the dust to settle. Six hours before the provincial people and the federal people went in to do the testing, all the pressures were turned off. So the type of analysis you would get after watering the place down for two days, after turning all of the pressures off, isn't an indication of the conditions the men work under daily.

I appreciate the shortness of time left with respect to this, but as the leader of the party has said, there are 60 problems. If you would look at them you would see that the overwhelming majority deal with gas fumes from the diesels and with dust counts of which there is no accurate analysis. There is really no way that we are going to im-

prove that situation. The battle lines are only going to harden unless the government intervenes and indicates to the men in a rather forthright manner that the ventilation is going to be improved and that the testing is going to be done regularly. Otherwise, there is so little hope or so little future for the overwhelming majority of men that they are not going back.

You can't blame them with at least 10 per cent of them, or 140 roughly, with silicosis and at least four with cancer, those four being terminal cases. You can't blame them for not going back in. If Denison isn't going to move and sit down and negotiate in a frank, forthright manner before they go back then they are not going back because the future holds no hope. I would urge it upon this minister to impress upon his colleague, the Minister of Natural Resources – one of his chief men is directly out of the mines at Elliot Lake. The head of the mining division, Mr. Jewett, was the mines manager for Rio Tinto. The minister doesn't expect him to have lost all his allegiance to the company. Some one other than the Minister of Natural Resources is going to have to take the bull by the horns over there, and I would urge it upon this minister to be the man to do that. Thank you, Mr. Chairman.

Mr. Chairman: Could I just determine from the hon. member for Rainy River, does he have lengthy remarks?

Mr. Reid: It will take five or 10 minutes.

Hon. Mr. Winkler moves the committee rise and report progress an ask leave to sit again.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report progress and asks for leave to sit again.

Report agreed to.

Mr. Speaker: I beg to inform the House that in the name of Her Majesty The Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in her chambers.

ROYAL ASSENT

Clerk of the House: The following are the titles of the bills to which Her Honour has assented:

Bill 26, the Land Transfer Act, 1974.

Bill Pr1, An Act respecting the City of Belleville.

Bill Pr2, An Act respecting the St. Catharines Slovak Club Ltd.

Bill Pr3, An Act respecting the City of Hamilton.

Bill Pr4, An Act respecting the City of Hamilton.

Bill Pr6, An Act respecting the Wellington County Board of Education.

Bill Pr7, An Act respecting the Niagara Peninsular Railway Co.

Bill Pr8, An Act respecting the Incorporated Synod of the Diocese of Ontario.

Bill Pr9, An Act respecting the Town of Strathroy.

Bill Pr10, An Act respecting Root's Dairy Ltd.

Bill Pr11, An Act respecting the Town of Ingersoll.

Bill Pr13, An Act respecting Tara Exploration and Development Co. Ltd.

Bill Pr14, An Act respecting the Town of Walkerton.

Bill Pr15, An Act respecting the City of Kitchener.

Bill Pr16, An Act respecting the City of Orillia.

Bill Pr17, An Act respecting Diamond and Green Construction Co. Ltd.

Bill Pr18, An Act respecting Victoria Hospital Corp. and the War Memorial Children's Hospital of Western Ontario.

Bill Pr19, An Act respecting the Borough of North York.

Bill Pr21, An Act respecting the University of Western Ontario.

Bill Pr22, An Act respecting the Waterloo-Wellington Airport.

Bill Pr24, An Act respecting the City of Chatham.

Bill Pr25, An Act respecting Savings and Investment Trust.

Bill Pr26, An Act respecting Lake of the Woods District Hospital.

Bill Pr28, An Act respecting the Presbyterian Church Building Corp.

Bill Pr29, An Act respecting the City of Windsor.

Bill Pr31, An Act respecting the City of London.

Hon. E. A. Winkler (Chairman Management Board of Cabinet): On Monday, Mr. Speaker, because there is some urgency—and I think I alluded to it last evening—I will

call first, item 10, Bill 31, and then item 9, Bill 25.

On Tuesday, I would hope to call, again because of some urgency—a local matter of jurisdiction—item 8, Bill 23; and I believe, sir, not contentious. Then item 7, Bill 22; and I will reiterate that the House will not sit on Tuesday evening, but that we will sit until 6 o'clock.

Mr. V. M. Singer (Downsview): Monday night?

Hon. Mr. Winkler: Monday night, yes.

Mr. S. Lewis (Scarborough West): On a point of order, I am sorry—the House leader did not call then the Land Speculation Tax Act.

Hon. Mr. Winkler: Yes, item 9.

Mr. Lewis: Did he?

Mr. T. P. Reid (Rainy River): Are we not going back to these estimates?

Mr. Lewis: Then we are not likely to return to the estimates until about Thursday, I think.

Hon. Mr. Winkler: Yes, that is correct.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 1 o'clock, p.m.

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No. 34



Legislature of Ontario Debates

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Monday, April 29, 1974

Afternoon Session

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Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, APRIL 29, 1974

The House met at 2 o'clock, p.m.

Prayers.

Hon. A. K. Meen (Minister of Revenue): Mr. Speaker, it gives me a great deal of pleasure to introduce to you, and to my colleagues in the House this afternoon, students from Leaside High School in the great riding of York East, together with their teachers Mr. Allen and Mr. Blaney.

Mr. D. W. Ewen (Wentworth North): Mr. Speaker, I'm happy, this afternoon, to introduce to you, and through you to my colleagues in the Legislature, students from the Waterdown District High School.

Mr. R. F. Ruston (Essex-Kent): Mr. Speaker, if I may, I would like to introduce to you the grade 8 students from Maidstone Central School, together with Mr. Hatt their principal.

ESTIMATES

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, I have here a message from the Honourable the Lieutenant Governor signed by her own hand. Please rise, gentlemen.

Mr. Speaker: By her own hand, Pauline M. McGibbon, the Honourable the Lieutenant Governor, transmits estimates of certain sums required for the services of the province for the year ending March 31, 1975, and recommends them to the legislative assembly, Toronto, April 29, 1974.

Statements by the ministry.

Oral questions.

The hon. Leader of the Opposition.

METRO TORONTO HOSPITAL DISPUTE

Mr. R. F. Nixon (Leader of the Opposition): Thank you, Mr. Speaker. I would like to ask the Premier if it is his personal intervention that is keeping those people negotiating with the hospital workers from offering something more than the $1.30-over-two-years package. A news story quotes a source close to the Premier, whatever that is—

Mr. I. Deans (Wentworth): We had that once before.

Mr. R. F. Nixon: —as indicating that the Premier feels anything more than that would "open the floodgate" and would therefore be unsupportable.

Hon. W. G. Davis (Premier): No, Mr. Speaker; to answer the member for Brant's (Mr. R. F. Nixon) question very briefly, the answer is no.

Mr. R. F. Nixon: Supplementary: Can the Premier then explain why government policy is kept under wraps to such an extent that we are going to be presented with a motion this afternoon calling for an emergency debate, since the deadline for this matter is May 1?

Hon. Mr. Davis: Mr. Speaker, I don't know whether we are going to be presented with a motion this afternoon for a debate. I somehow doubt that we are.

Secondly, it is doubtful that "the government's position is being kept under wraps," because as the minister has explained, both ministers, in fact, it is not a question of the "government's position." There is a mediator very hard at work attempting to resolve the differences between the two sides—and those discussions will be continuing this afternoon.

Mr. R. F. Nixon: Another supplementary, Mr. Speaker. Can the Premier then assure us that those allegations are incorrect and that he does not feel the $1.30 over two years is an adequate offer? Certainly nobody else does.

Hon. Mr. Davis: Mr. Speaker, I can assure the member for Brant that the Premier or, in quotes—and I haven't seen any quotes—"a spokesman for the Premier," has not indicated that $1.30 was too much or too little.

Mr. S. Lewis (Scarborough West): May I ask, by way of a supplementary to the Premier: I take it the Premier would wish negotiations to continue through today and tomorrow if they can be effective?

Hon. Mr. Davis: That is correct, Mr. Speaker.

Mr. Lewis: Is the Premier aware that the union is willing and ready to negotiate at any point at which negotiations are offered?

Hon. Mr. Davis: Mr. Speaker, it has come to my attention that the union is willing; and as I understand it there will be meetings relating to this this afternoon and probably extending on into this evening.

Mr. M. Shulman (High Park): Supplementary: In the event of a strike, has the government taken any steps to prevent any hazard to the public health?

Hon. Mr. Davis: Mr. Speaker, that would be a question more properly directed to the Minister of Health (Mr. Miller).

Mr. V. M. Singer (Downsview): Supplementary: In the event of a strike, is the government prepared to enforce the law as it presently stands on the statute books of the Province of Ontario?

Hon. Mr. Davis: Mr. Speaker, this government is always prepared to enforce the law, unlike some members opposite.

Mr. Singer: Mr. Speaker, on a point of privilege, the Premier has imputed motives to perhaps myself and my collegues which I think is entirely uncalled for; the last part of that answer, I think he should withdraw.

Mr. R. F. Nixon: He certainly should.

Mr. Singer: Yes, it is disgraceful.

Mr. R. F. Nixon: Let's have a ruling on that, Mr. Speaker.

Mr. Singer: Of all people to do it, the Premier is the last one who should.

Hon. Mr. Davis: I wasn't referring to the member for Downsview at all.

Mr. Speaker: I'm not at all certain the hon. Premier was imputing any motives to any specific person, any members of the Liberal Party or otherwise. That sort of comment, I think, is made in this chamber from time to time on many occasions. I really don't see any motive that has been imputed to any individual for which I could ask for a withdrawal.

Mr. D. C. MacDonald (York South): I think the Tories are all rotters—and that's not imputing.

Interjection by an hon. member.

Mr. Speaker: I didn't even hear the hon. member for Rainy River. I was speaking to the hon. member for Downsview.

PROVINCIAL CONTROLS ON PETROLEUM PRICES

Mr. R. F. Nixon: I'd like to ask the Premier if he has been following the sequence of events across Canada as various provinces have reduced their tax on gasoline, or in the case of Nova Scotia have put in direct control measures on the price of motor gasoline and heating fuel, and if he is prepared to at least give consideration to the amendments that would direct the Energy Board to undertake a review of these prices and give them the power to control them?

Hon. Mr. Davis: Mr. Speaker, I have noticed what is going on in some of our sister jurisdictions, quite obviously, and I also of course read with great interest the observations made by the federal Minister of Energy, at what I thought was to have been the provincial meeting of the Liberal Party but which obviously turned out to be the federal meeting of the Liberal Party, over the weekend; and I would only make this—

Hon. A. Grossman (Provincial Secretary for Resources Development): So what is new?

Mr. T. P. Reid (Rainy River): We are not afraid to be seen with our friends.

Hon. Mr. Davis: Well I will tell the member this; when we're seen with ours at least we have a fair say. Have the Liberal members opposite all got their marching orders?

In fact I was going to ask the member from Brant whether he got to the meeting on the weekend—was he there?

Mr. R. F. Nixon: Why doesn't the Premier do what his federal leader says, and impose some control? Why doesn't he exert some control?

Hon. Mr. Davis: I'll make this observation. In my view it is very questionable for the federal minister to get up and say to this province we should reduce our tax by "X" per cent a gallon when he has the capacity, along with the federal Prime Minister of this country, to keep oil at $6 a bbl if they had had the intestinal fortitude to do it.

Interjections by hon. members.

Hon. Mr. Davis: I'll tell the members opposite something else: If members opposite would stop apologizing for them and—

Mr. Speaker: Order; order please.

Hon. Mr. Davis: If they had supported us just a year ago and said there should have

been a federal policy for energy, we wouldn't have been faced with some of the increases we are presently facing.

Mr. R. F. Nixon: Now that the Premier has cleared his tubes with this diatribe—

Mr. Lewis: This is a delicate tactic on the Premier's part. He is turning into the "Bob Nixon" of the Conservative party, for heaven's sake.

Hon. Mr. Davis: On a point of personal privilege, I did not ask the federal Minister of Energy to make that statement over the weekend. I really didn't.

Mr. R. F. Nixon: Well Mr. Speaker, if we might return to the question, is the Premier prepared to take any action through the clear authority that rests with the ministry of the Province of Ontario to control these prices, which are going to take another quantum jump in the next few days?

Hon. Mr. Davis: Mr. Speaker, just to answer very briefly; yes, we have noticed what has happened in some jurisdictions. I have noticed that the federal Minister of Energy made some observations that he too, along with the federal government, could do this on a national basis, which would make far greater sense, and yes, we have not yet made any decision to take any action with respect to a form of price control here in this province.

Mr. Singer: Yes, we have no policy.

Mr. J. E. Stokes (Thunder Bay): Yes, we have no bananas.

DENTURE THERAPISTS

Mr. R. F. Nixon: On another matter of policy, was the Premier quoted correctly when he indicated he was dissatisfied with the present programme for the provision of low-cost dentures? Does this mean in fact he is joining with his Minister of Health in trying to persuade his backbench supporters to reverse their views on maintaining their opposition to allowing denture therapists to work without direct supervision of dentists?

Mr. Ruston: The government has no policy.

Hon. Mr. Davis: Mr. Speaker, I am not sure, because I didn't read the quote, but I can recall, I think with some degree of exactitude, what I said Friday morning when I did say that I personally was not totally satisfied with the programme for the provision of low-cost dentures. I think that is what I said.

Mr. R. F. Nixon: Why doesn't the Premier do something to prove it then?

Supplementary. Can the Premier then indicate to the House that the present policy will remain unchanged and that the dentists are going to continue to advertise, using the the money provided by the taxpayers of the province, this programme the Premier says is unacceptable, or let's say something less than perfect?

Hon. Mr. Davis: I would say this, Mr. Speaker: I think the most extensive advertising that has gone on in the past three or four weeks has really been at the expense of the dental profession, not of the taxpayers of the province. Secondly, if there is to be some statement of government policy the Minister of Health will be making it. I think he has already indicated that to this House on previous occasions.

Mr. R. F. Nixon: Yes he has, but he hasn't got around to making it somehow.

Interjections by hon. members.

ALGONQUIN FOREST AUTHORITY

Mr. R. F. Nixon: I have a further question of the Premier. Since the present timber contracts and leases in Algonquin Park will expire, or at least some of them will, on July 1, is the Premier then going to introduce legislation establishing the announced Algonquin Forest Authority with John Robarts at its head; and will he consider—if he is going to move forward as evidently he will, with some sort of announcement or legislation—expanding the scope of that authority so that it can at least accept the goal of phasing out the exploitation, by the lumbering industry, of that area which should be preserved?

Hon. Mr. Davis: Mr. Speaker, it is the hope of the government to have legislation setting up the Algonquin authority during this session, at which time the goals and objectives of the authority will be presented to the House with ample opportunity to discuss them.

Mr. R. F. Nixon: Supplementary: Since the Premier announced, or at least it was announced on behalf of the ministry, that the former Premier would head up that authority, there seems to be some question as to whether the former Premier wishes to do so. Can the Premier indicate whether or not Mr. Robarts will be available for this and if he is consulting with him and others on the development of the authority and its scope?

Hon. Mr. Davis: Mr. Speaker, the question of who will form the personnel of the authority and who will be the chairman—and it had been my hope that it would be my predecessor, because I think he brings a great deal of experience and talent to the job—will depend on the wording of the legislation; and of course his own personal position at the time that the bill is made law.

Mr. R. F. Nixon: Supplementary: Since the government's statement announced that he was going to head it up, must we assume then that there is now some question as to whether he will or not?

Hon. Mr. Davis: I think, Mr. Speaker, that question has been raised before. It has been very clearly stated that if, when the legislation establishing the authority is passed into law, the former Premier of this province is in a position then to do it without an yquestion of other responsibilities, that's fine. If he has other positions of responsibility which might conflict with the task of being head of the authority, then I can assure the members of the House that my predecessor would not want to be put in that position.

Mr. R. F. Nixon: That is very clear!

Mr. Lewis: The Premier has answered it very well. It is done. We know he is not going to be the head of the authority. Why doesn't the Premier say that?

Mr. Speaker: The hon. member for Thunder Bay.

Mr. Lewis: Why doesn't he simply say that?

Hon. Mr. Davis: Not necessarily.

Mr. Stokes: As a supplementary, can the Premier assure the people of the Province of Ontario that there will be no renewal of existing licences until the proposed authority has had a chance to review all of the licenses in the park?

Hon. Mr. Davis: Mr. Speaker, that would be a question that would be properly put to the Minister of Natural Resources (Mr. Bernier).

Mr. Speaker: The hon. Leader of the Opposition.

ENERGY BOARD COUNSEL

Mr. R. F. Nixon: A final question: Is the Premier going to permit Robert Macaulay, who is retained by the government in a number of capacities, to state publicly that a member of the Legislature is impertinent when he asks about the public moneys that are being spent for his services; particularly when the question is based on the probability of it being $1,000 a day and the answer that was forthcoming indicates that's just about right on?

Hon. Mr. Davis: Mr. Speaker, I just read the report very briefly and I am not sure our former colleague was referring to a member of the Legislature in those observations; and I haven't discussed it with him personally.

Mr. R. F. Nixon: A supplementary: Would he look into this matter and perhaps have one of his colleagues examine it? Because it seems to me that Mr. Macaulay's statement was the ultimate impertinence, and we shouldn't stand for it.

Mr. Lewis: The Premier should bring him before the bar of the House.

Mr. R. F. Nixon: Darned right. Put him in the tower.

Mr. Lewis: We don't play games with the "establishment" around here. Bring him into this House and talk to him.

Hon. Mr. Davis: I understand the member for Brant is issuing an order to have Mr. Macaulay appear before some committee.

Mr. R. F. Nixon: I must have had a better weekend than the Premier.

Hon. Mr. Davis: I had a very good weekend.

Mr. Singer: By way of supplementary, Mr. Speaker: I wonder if the Premier will instruct the appropriate minister, who might be the Minister of Energy (Mr. McKeough) to table in the House a fully detailed breakdown of the $170,000—how the amount was made up, the per diem or the hourly rate, and whether or not the account was taxed?

Mr. Reid: What is the tax, yes?

Hon. Mr. Davis: Well Mr. Speaker, I am not going to get into a discussion as to the quantum of legal fees on this occasion. I think the member for Downsview might appropriately address that question to the Minister of Energy when he is here.

Mr. Speaker: The hon. member for Scarborough West.

PROVINCIAL CONTROLS ON PETROLEUM PRICES

Mr. Lewis: Given the first quarter profits that were just published of Shell Oil on the weekend—the fifth of the seven major oil companies to show staggering increases when oil was still pegged at $4 a barrel—does the Premier not think there is an overriding public interest which he must protect, to prevent any of the oil companies, Shell's declaration notwithstanding, from increasing their cost to the consumer one penny beyond 7½ cents a gallon?

Hon. Mr. Davis: Mr. Speaker, I think the Minister of Energy has made some observations—I made some in this House—as to the position of the oil companies charging above and beyond that which would be part of the $2 or $2.50 increase with respect to crude oil, whether it be from Alberta or offshore.

I said to the member for Brant just about 15 minutes ago that we are not contemplating at this moment a form of control with respect to the price of gasoline.

Mr. Lewis: I take it, by way of supplementary then, that it doesn't matter what the oil companies in Ontario charge, the Premier will not lay a finger on them; that is what he is saying to the House?

Hon. Mr. Davis: Mr. Speaker, I don't want to repeat my answer, but as I recall my answer, that is not what I said to the House.

Mr. R. F. Nixon: A supplementary: Since it appears there will be a large increase in these consumer prices within two weeks, wouldn't the Premier think it would be fair and judicious to give the powers of review to the Energy Board, so that in fact the government has the power so to control if it chooses, rather than to wait until we get into an emergency situation? Surely the people of the province would not be well served if the government were to procrastinate?

Mr. Deans: This government lives on crises.

Hon. Mr. Davis: Mr. Speaker, I think there are two aspects: One is the power to review; the other is the power to control. I will just repeat what I said twice this afternoon, we are not introducing, this afternoon, a measure to control price.

Mr. Deans: How about tomorrow?

Mr. Lewis: By way of supplementary, why does the Premier allow the Energy Board to review and control the price of Canadian companies, Consumers and Union Gas, but not to intervene on the question of price-setting by foreign companies? Why are we being prejudicial towards our own companies?

Hon. Mr. Davis: Well, Mr. Speaker, I think there is a distinction; and of course perhaps the hon. member doesn't draw the same distinction. We are referring in one instance to an area where the Energy Board has the obligation by law to review rates when they are totally regulated industries. No question about it. We have not given to the Energy Board here the function as to price, because they are not regulated in the same sense of the word.

Mr. Deans: Why?

Mr. Speaker: The hon. member for—

Hon. Mr. Davis: Listen, the member for Wentworth would regulate everybody; I know that.

Mr. Deans: I would regulate them.

Interjections by hon. members.

Mr. Speaker: Order!

Mr. Lewis: We would regulate the oil companies; the Premier is damn right about that. We would regulate the entire energy field. Right, no question.

Mr. Stokes: The Premier is inconsistent in his inconsistency.

Mr. Lewis: Let me ask the Premier if this is a deliberate ploy on his part—with the prospects of a federal election coming—to let the oil companies manipulate consumers in Ontario to serve Tory interests in a federal election? Is that what the Premier is engaged in?

Hon. Mr. Winkler: Ridiculous.

Interjections by hon. members.

Hon. Mr. Davis: Mr. Speaker, I would say this, the federal leader of my party has taken a more consistent approach and apparently is doing something about it, more so than the leader of the member's party.

Mr. Lewis: The devil he has! He has no approach at all—none at all, none at all. And he knows it.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Lewis: I like the way the Premier comes out fighting occasionally these days.

Mr. Speaker: The hon. member for Beaches-Woodbine (Mr. Wardle) on a supplementary?

Hon. Mr. Winkler: It shows how much influence the member for Scarborough West has at home.

An hon. member: I disagree with that one.

Mr. Speaker: No; well we are dealing with the hon. member for Scarborough West first.

Interjections by hon. members.

Mr. Singer: Highly objective, like all the rest.

Mr. Lewis: A question of the Premier.

Hon. Mr. Davis: The member knows it's true.

Mr. Lewis: A question of the Premier.

Hon. Mr. Davis: Yes.

Mr. Lewis: He can decide on whether he is going to use tactic A or tactic B—soft voice or loud voice—in the answer?

Hon. Mr. Davis: Listen, I don't have as many as the member does.

ROUTE OF PETROLEUM PIPELINE

Mr. Lewis: May I ask of the Premier, concerning his intervention on the pipeline route before the National Energy Board on May 15, would the Premier be willing to reconsider the whole matter of a northern pipeline in the Canadian interest, now that it is recognized the pressure on oil and on energy has subsided to some degree since the original decision was made?

Hon. Mr. Davis: Of course, Mr. Speaker, I think if the hon. member could assure me—and I would never underestimate his capacities, I am the last one to do that—that the international oil situation would remain as it is or improve, that we wouldn't be some day faced with a situation that existed just two or three months ago, I think it would make that question somewhat easier to answer. But in that with all his talent I don't think he can give us that assurance, I don't think we are prepared to take that risk in our intervention.

Mr. Lewis: By way of supplementary: Is the Premier prepared in his intervention to decide that the additional amount of money that might be involved, because now the time is roughly equivalent, is perhaps a worthy investment in northern Ontario and in Canada rather than sticking with the southern route?

Hon. Mr. Davis: Mr. Speaker, I think this government has said that ultimately we would support a total Canadian route; that position hasn't changed.

Mr. Lewis: That's hypocrisy.

Hon. Mr. Davis: It is not hypocrisy.

Mr. Lewis: There won't be a Canadian route if the government builds a southern line.

Mr. E. M. Havrot (Timiskaming): Speak up, we can't hear the member.

Hon. Mr. Davis: We are concerned about the immediate situation, and our intervention will reflect that.

Mr. Stokes: Supplementary: Since the Minister of Natural Resources, who formerly had responsibility for reporting to this House for the Ontario Energy Board, has come out unequivocally in favour of the northern route, and since over the past weekend—

Hon. Mr. Grossman: Where has the member been?

Mr. Stokes: —the Northeastern Ontario Municipal Association has come out unequivocally in favour of an all-northern route and an all-Ontario route, will the Premier reconsider his decision and intervene before the National Energy Board for the all-Canadian route over the US route?

Hon. Mr. Davis: Mr. Speaker, it is not our intention to intervene and say the only thing we would accept would be an all-northern, or all-Canadian, or all-Ontario route. Certainly if the possibilities were there, this government has said, and I have said it personally, our preference would be an all-Canadian route in ultimate terms.

Mr. MacDonald: Supplementary, Mr. Speaker: What precisely is the purpose of the Premier's intervention then?

Hon. Mr. Davis: Mr. Speaker, one of the purposes of our intervention, I hope, is very clearly stated, and that is that we are anxious, once the decision is made by the board upon the application, that whatever route is determined the work be done in a way that is environmentally acceptable to the people of this province, with particular emphasis in the

agricultural communities. The intervention goes to some length to lay out some of the procedures we are suggesting—the availability of personnel that we ourselves would pay, quite frankly, to see that the work itself causes as little impact environmentally into the agricultural lands of this province as possible.

Mr. MacDonald: Well, a final supplementary, Mr. Speaker.

In view—is the cabinet meeting over?

Hon. Mr. Davis: No, I am listening.

Mr. MacDonald: Oh the Premier is listening? I thought he was listening to the Provincial Secretary for Resources Development, that was the problem.

Hon. Mr. Grossman: Why wouldn't he?

Mr. Deans: I don't know why anyone would listen to the provincial secretary, but that's okay.

Mr. MacDonald: My final question, Mr. Speaker, is this. What prospect does the Premier really think there is for building what he gives top priority to, all other things being equal, and that is an all-Canadian route, if everything is siphoned off into a southern route to begin with?

Hon. Mr. Davis: Mr. Speaker, I look beyond the confines of the next four or five years and suggest that nothing in the southern route is going to siphon off all that potentially might flow through a northern route. No one is minimizing the impact of the southern route, but I don't think this means there will not be a northern route.

Mr. MacDonald: Who is the Premier kidding now?

Mr. R. F. Nixon: A supplementary, Mr. Speaker: Could the Premier indicate that he is prepared, through the Ministry of Agriculture and Food or some other agency, to have inspection on the site wherever the construction takes place to see that the topsoil is put back on the top and the stones are put back underneath the ground?

Hon. Mr. Davis: Mr. Speaker, I think that was contained in the intervention, which I believe was tabled. There is a fairly lengthy statement as to what we would like to see happen and that we would provide personnel. If the member for Brant wants a more detailed explanation from the Minister of Agriculture and Food (Mr. Stewart), I am sure he would be delighted to give it to him.

Mr. Stokes: A supplementary—

Mr. Speaker: No, I believe there have been five supplementaries, which surely is reasonable. The hon. member for Scarborough West.

CORPORATION INCOME TAX PAID BY OIL COMPANIES TO PROVINCE

Mr. Lewis: A question of the Minister of Revenue. I may have missed his reply while I was absent. Has the minister decided to give the Legislature and the public any information on whether any of the major oil companies operating in this province paid corporation income tax last year?

Hon. Mr. Meen: Mr. Speaker, if the hon. member would advise me as to what he considers to be a major oil company doing business in Ontario—

Mr. Lewis: Oh I think I could do that. I could almost do that now.

Mr. J. A. Renwick (Riverdale): Every company that is a foreign oil company doing business in Canada.

Mr. Lewis: What was that?

Hon. Mr. Meen: —I will be pleased to provide him with any information that is otherwise public information.

Mr. Lewis: That is otherwise public information?

Hon. Mr. Meen: Otherwise than derived through my Ministry of Revenue.

Mr. Lewis: Otherwise than derived through his ministry?

Hon. Mr. Meen: Yes; because, Mr. Speaker, if the hon. member will tell me what public companies he is talking about, it is a very simple process to take a look at their financial statements and determine that information. We will be pleased to get that information for him if he will tell me what companies he is talking about.

Mr. J. R. Breithaupt (Kitchener): The minister will send him the press clippings.

Mr. Lewis: Oh boy. All right. I'll come back to the minister on that.

AMBULANCE SERVICES

Mr. Lewis: One last question of the Minister of Health, if I may: Is the minister

aware of the procedure of the government in purchasing private ambulance services, in various parts of southern Ontario in particular, setting them up with new equipment and then returning them to private franchise holders? How does that effect the central co-ordination of emergency ambulance services generally?

Hon. F. S. Miller (Minister of Health): Mr. Speaker, we have been trying to leave most private ambulance systems operating with the original owners, but at times some owners have requested us to buy them out. We have done so and generally had a contract arrangement with another person to operate the service at that time on a global budget, which is really negotiated by our ministry with that person.

Mr. Lewis: But I take it, by way of supplementary, that the government does run ambulance services directly from within the branch of this ministry. I understand that on occasion the government turns that ambulance service back to a private franchise holder. Why would the minister do that? Why would he introduce the profit mechanism there when he is satisfied that he is running it well through the branch of his ministry?

Hon. Mr. Miller: Well, the hon. member has come to a conclusion that I would not necessarily agree with when he says we are necessarily running them well when we run them ourselves. That is an awful admission to make, but I have a great belief that when they are run by the private operators they are run at their best.

Mr. Lewis: I see. Does that mean then that in the case, let us say—I have a number of cases here—that in the case of the Hotel Dieu Hospital in St. Catharines, where the ambulance men themselves have requested the government to take it over, the minister is likely, on the contrary, to contract it out to a private franchise holder?

Hon. Mr. Miller: I wouldn't say so, Mr. Speaker. I would have to look at the Hotel Dieu operation, if that is one of the hospitals—and I am not sure that it is—that operates an ambulance service itself.

Mr. Lewis: It does.

Hon. Mr. Miller: A number of hospitals have found for a number of reasons that being the operator of an ambulance service is not in keeping with their other managerial duties. They have requested us, from time to time, to physically remove the service from their premises.

Mr. Speaker: The hon. member for Beaches-Woodbine.

TAX EXEMPTIONS FOR ORTHOPAEDIC SHOES

Mr. T. A. Wardle (Beaches-Woodbine): Mr. Speaker, I have a question of the Minister of Revenue. As the minister knows, most orthopaedic shoes cost more than $30 a pair. My question is, are orthopaedic shoes free of retail sales tax if the prices exceeds $30 a pair?

Hon. Mr. Meen: Mr. Speaker, orthopaedic shoes, if designed for orthopaedic purposes, would fall under that appropriate section of the Retail Sales Tax Act and under the regulations, and would therefore be exempt, regardless of price.

Mr. Speaker: The hon. member for Downsview.

SPADINA CORRIDOR

Mr. Singer: Mr. Speaker, I have a question of the Premier. Could the Premier tell us if in his instructions to Metro Toronto to investigate possible alternative uses for the Spadina ditch, he is going to make available to them Buckminster Fuller's folly, for which I think we paid some $15,000 and which was referred to by the Premier's candidate during the last campaign as a site that would be the equivalent of the Eiffel Tower in Paris; is that information going to be made available to Metro when it embarks upon it?

Hon. Mr. Davis: Mr. Speaker, I'm sure if the Metro people doing this assessment wish to avail themselves of that very creative work by Mr. Buckminster Fuller we would certainly make it available to them.

Mr. Singer: By way of supplementary, could the Premier tell us what has been done with—what did he say?—that effective work or exciting piece of work?

Hon. Mr. Davis: Creative!

Mr. Singer: That creative piece of work by Mr. Fuller, since at the time he created it out of his old drawings? Has it been used for anything at all as yet?

Mr. Lewis: Where is it gathering dust?

Hon. Mr. Davis: Mr. Speaker, in this government's rather constant, I think, desire to maintain the involvement of the municipalities and have them function with as great an autonomy as possible—which I hear from over there sometimes and is contradicted the next day—

Mr. R. Haggerty (Welland South): He doesn't believe that.

Hon. Mr. Davis: —it is our desire, of course, to have this done by Metropolitan Toronto.

Mr. Singer: Well, back to Buckminster Fuller.

Hon. Mr. Davis: I made the offer to Metropolitan Toronto which I will restate—although I don't think it will be necessary—that if Metro would like us to assume this responsibility we would. I sense a very genuine desire on the part of Metropolitan Toronto to do something creative with this very choice piece of real estate, and certainly if Mr. Fuller's study is of some help to it, it will be more than welcome to it.

Mr. Singer: Has the Premier opened it since he paid for it?

Hon. Mr. Davis: It is being looked at.

Hon. Mr. Grossman: Fuller's name will be remembered long after the member for Downsview's is forgotten. Don't poke fun at Buckminster Fuller.

Mr. Speaker: The member for High Park.

FIRING POLICY OF LIQUOR BOARD

Mr. Shulman: A question of the Minister of Consumer and Commercial Relations, Mr. Speaker. I would like to ask him about the firing policy of the liquor board specifically in relation to one William Nugent, formerly the vice-chairman of the board. The question I would like to ask is, if the minister wished to get rid of Mr. Nugent why did he not inform him? Instead, when his secretary went down to pick up his cheque she came back to tell him: "I'm sorry, there won't be a cheque this week because you've been fired."

Mr. R. F. Nixon: That's the way he does it?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I would like to compliment the member for High Park. If he will look a little further in his records he will notice that Mr. Nugent went on pension last July or retired from the board after, I believe, 39 or 29 years of very good service to the people of this province and was retained in a consultant position for a period of about six months following that date. He was not by any stretch of the imagination discharged. He was a very loyal public servant and—

Mr. Shulman: Tell that to Bill Nugent.

Hon. Mr. Clement: —there is absolutely no reason for him to be criticized by any member of this House.

Mr. Shulman: As a supplementary, Mr. Speaker, is the minister denying he was kept on as a consultant and then, in January, he was discharged from that position through his secretary? Is he denying that? Tell that to Bill Nugent.

Hon. Mr. Clement: Yes, I am denying that.

Mr. Shulman: He had better speak to Bill Nugent.

Hon. Mr. Clement: Let the member and I talk about it.

Mr. Speaker: The member for Kent.

INCREASES IN PRICES OF AMMONIA PRODUCTS

Mr. J. P. Spence (Kent): Mr. Speaker, I have a question of the Minister of Agriculture and Food. Is the minister aware of the increase in prices of ammonia nitrate and anhydrous ammonia which are causing great concern to those in agriculture? In 1973 anhydrous ammonia was selling at $95 to $100 and now is selling at $166 a ton; and ammonia nitrate which was marketed at $60 in 1973 is now being marketed at $130 a ton. Would the minister look into these increased prices?

Mr. Stokes: Are they those good corporate citizens the minister was talking about last week?

Hon. W. A. Stewart (Minister of Agriculture and Food): Yes, I'm well aware of it Mr. Speaker; and I'm also aware of the fact that if that same anhydrous ammonia and urea, the other synthetic nitrogen product the member is talking about, were sold on the world market they'd bring at least $90 to $100 a ton more than they are bringing by being sold right here in the Province of Ontario.

Mr. MacDonald: That's a lame excuse.

Hon. Mr. Stewart: The great problem is that we simply don't have enough of them to meet the demand for increased acreage which is going to take place here in Canada this year.

Mr. MacDonald: So they are free to gouge the market?

Mr. Spence: The minister agrees we will have a shortage of anhydrous ammonia this year, is that right?

Hon. Mr. Stewart: Yes, it looks like that.

Mr. Speaker: The member for Sandwich-Riverside.

ALLEGED SEEPAGE OF POLLUTANTS INTO DETROIT RIVER

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, a question of the Minister of the Environment regarding Fighting Island in the Detroit River in the provincial riding of Sandwich-Riverside: Has the minister recently received any complaints about seepage of pollutants into the river and has he checked them out?

Hon. W. Newman (Minister of the Environment): I have had several comments on several of those islands. I can't recall exactly what happened on Fighting Island but certainly we have been monitoring it and keeping a close eye on it.

Interjections by hon. members.

Mr. B. Newman (Windsor-Walkerville): A supplementary, Mr. Speaker.

Mr. Speaker: The member for Sandwich-Riverside should be entitled to the first supplementary.

Mr. Burr: Mr. Speaker, would the minister check on this particular one and let me know what has happened?

Hon. W. Newman: Yes, I'd be glad to give the member an up to date report.

Mr. Speaker: There was a supplementary over here.

Mr. B. Newman: Will the minister look over the lease agreement BASF Industries and Wyandotte Chemical have with his ministry concerning the disposition of liquid wastes on Fighting Island, and consider either cancelling the arrangement or limiting the lease arrangement so that it could be terminated within a reasonable period of time?

Hon. W. Newman: Yes; as I said, I will look into the whole matter and get back to the members.

Mr. Speaker: The hon. member for Waterloo North is next.

AIR POLLUTION IN SUDBURY

Mr. E. R. Good (Waterloo North): I have a question of the Minister of the Environment. As he has been to Sudbury over the weekend, as he said he would, can the minister tell us now whether or not he is going to insist that Falconbridge, because of their poor record in the last few weeks on pollution, speed up the two-year period that was granted previously to install their pollution abatement equipment; or is he going to let them pollute for another two years?

Mr. W. Hodgson (York North): That's the member for Sudbury East's (Mr. Martel) question.

Hon. J. W. Snow (Minister of Government Services): Was that the only pollution in Sudbury last weekend?

Hon. W. Newman: One of my main reasons for my trip was to examine the expanded services of our ministry. Regionalization was to give the north a better service. It was one of my major reasons for going up on this trip.

Mr. R. F. Nixon: I didn't see the minister there over the weekend.

Hon. W. Newman: He didn't see me?

Interjections by hon. members.

An hon. member: He wasn't at the Liberal convention.

Hon. W. Newman: I wouldn't wind up there, I can assure members opposite of that.

Mr. R. F. Nixon: Oh, don't be nasty!

Hon. Mr. Davis: The member for Ottawa East (Mr. Roy) was there.

Interjections by hon. members.

Mr. Speaker: Order please.

Interjections by hon. members.

An hon. member: It was the worst pollution Sudbury ever saw.

Interjections by hon. members.

An hon. member: That's what happens when the big red machine moves in.

Mr. Speaker: Order please.

Interjections by hon. members.

Hon. W. Newman: Mr. Speaker, in order to answer the question, I did have a look at some of the situations in Sudbury and some of the other areas. I had some very interesting talks with the new regional staff, and they're certainly looking into the total matter. I am not prepared at this point in time to give a firm commitment on anything as far as Falconbridge is concerned.

Mr. Stokes: Did the minister visit Happy Valley?

Hon. W. Newman: I saw Happy Valley.

Mr. Good: Mr. Speaker, I have a supplementary. The minister said on Friday he was going to Sudbury over the weekend and would have some answers. Can he tell us, for instance, is the monitoring device at the Inco stack working as of now, and what monitoring information is it gathering at the present time; or didn't he even bother to look?

Hon. W. Newman: I have looked at all our monitoring devices. We have lots of monitoring devices. We know what's going on up there. Why doesn't the member look at it himself some time?

Mr. Speaker: The hon. member for Wentworth.

Mr. Deans: Thank you.

Interjections by hon. members.

Mr. Speaker: Order. The hon. member for Wentworth.

HOME SALES

Mr. Deans: I have a question of the Minister of Consumer and Commercial Relations. Is the minister investigating the rather questionable practices of certain realtors and real estate salesmen in that they are offering for sale HOME houses at prices which are considerably in excess of the price approved by Ontario Housing Corp., a price of which they are aware; and that they are selling other than real property under their real estate licence?

Hon. Mr. Clement: Mr. Speaker, as you know, realtors or brokers are entitled to sell other than real property. I do not know exactly to what the member refers. They are entitled to sell real property and personal property by way of business brokerage sales or stock on hand in pharmacies and this sort of thing. If the member will give me the particulars to which he alludes, I'll look into it.

I should point out that certain practices which have been subject to discussion in this House over the past few weeks have resulted very recently in a conviction, I believe, in the Oshawa area.

Mr. Deans: By way of a supplementary question, let me ask the minister if he is aware, in spite of Ontario Housing Corp. having established what the fair price will be for a resale within a five-year period, real estate salesmen and realtors are offering those homes for sale and attempting to sell them for prices at least twice as much as that which has been approved by Ontario Housing Corp.?

Hon. Mr. Grossman: One can't do that without permission.

Mr. Deans: Are they operating within their licence in selling at a price which is illegal in the Province of Ontario?

Hon. Mr. Clement: I don't know what prices would be illegal within the Province of Ontario. As I take the member's question, if they are acting contrary to any Ontario Housing Corp. legislation of regulation—

Mr. Deans: That makes it illegal.

Hon. Mr. Clement: —then they may well find their efforts may be frustrated and that they could not complete the sale. But if the member will give me the particulars I'll be more than pleased to look into it. I'm not aware of any such practice.

Mr. Deans: One supplementary question: Does the minister say he is not aware? My understanding is that the Minister of Housing (Mr. Handleman) brought the matter to his attention after I requested him to do so. If he is not aware, then he should be aware.

Secondly, is it proper for a real estate salesman to sell a house for $43,000, or to attempt to sell, to act as an agent on behalf of a seller at a price of some $43,000, when the price approved by the government of Ontario agency is less than $18,000?

Hon. Mr. Clement: One: As to the minister drawing it to my attention, may I point out there are over 5,000 employees of the ministry, any one of whom might have received the directive from the Minister of Housing.

Mr. Deans: I am talking about the minister personally.

Hon. Mr. Clement: No, I am not aware he drew this to my attention personally. He may well have drawn it to the registrar's attention or the deputy minister's attention. I don't recollect his having drawn it to my attention specifically.

Secondly, my answer still applies, that if it is contrary to any Ontario Housing rule or regulation, then the sale might well be frustrated by the intervention of that regulation. Whether it would be, in fact, unlawful and grounds for the realtor to lose his licence though, I am not prepared to say; but I will look into it and see exactly what the hon. member refers to. If he has any specifics, and I am sure he does, perhaps he will let me have them.

Mr. Speaker: The hon. member for Windsor-Walkerville is next.

DAAL SPECIALTIES LTD.

Mr. B. Newman: Mr. Speaker, I have a question of the Minister of Labour. Has the minister been informed by Daal Specialties Ltd., a subsidiary of Allied Chemical, that they are going to remove their plant from the Windsor area and affect some 400 employees by transferring their operations to Georgia?

Hon. F. Guindon (Minister of Labour): No, Mr. Speaker, I have had no information from the company itself except, as I have explained last week, rumours that have been heard around Windsor. But I have no formal information from the company.

Mr. Reid: Has the minister checked with them?

Mr. B. Newman: A supplementary, Mr. Speaker: Would the minister check with the company itself to find out what its plans are?

Hon. Mr. Guindon: I will, Mr. Speaker.

Mr. Speaker: The hon. member for High Park.

METRO TORONTO HOSPITAL DISPUTE

Mr. Shulman: A question of the Minister of Health, Mr. Speaker: What steps has the minister taken to prevent a health hazard developing if a strike goes ahead?

Hon. Mr. Miller: Well Mr. Speaker, the Ministry of Health has been talking to the administrators of the hospitals. I understand they have been taking steps as far back as the middle of last week to—

Mr. Shulman: To close the hospitals?

Hon. Mr. Miller: No, they are not intending to close the hospitals. They are intending to wind down, as they call it, the admission of elective patients, to stand by and utilize all administrative staff for whatever duties they are required to perform. I think the hon. member will have seen the quotations in the press; they are exchanging a pen for a mop and so on. I think they feel quite satisfied that they will be able to meet the emergency demands upon the hospitals in the eventuality of a strike, a strike which I hope and trust will not occur.

Mr. Shulman: We all hope that. As a supplementary, Mr. Speaker—

Mr. Speaker: I will allow one more supplementary.

Mr. Shulman: The hon. minister said they are satisfied. Is he satisfied they will be able to meet the demands upon them?

Hon. Mr. Miller: I am not happy at the thought of a diminishment in the supply of help to the hospitals. I don't think anyone is. As for saying I am happy or satisfied, I believe they will cope to the best of their ability because they are determined to offer the quality of service for those people in the greatest need.

Mr. Speaker: The hon. member for Etobicoke, I believe, is next.

GO TRAIN TO GEORGETOWN

Mr. L. A. Braithwaite (Etobicoke): Mr. Speaker, I have a question of the Premier. Is the Premier aware of the fact that the greater part of north Rexdale is poorly served in terms of transportation and that many requests have been made to the Minister of Transportation and Communications (Mr. Rhodes) for the opening of a GO station at Rexdale? Is the Premier further aware that as recently as last week the minister stated there would be no station at Rexdale?

In the light of those two questions, Mr. Speaker, I ask the Premier if he has been quoted correctly in today's Star as saying that a station will be opened later in the year at Rexdale in the GO Transit system? Can the Premier tell us if this cabinet de-

cision has been made already? Does the Minister of Transportation and Communications know about it? And if the decision has not been made—

Mr. Speaker: I think there are about five questions so far.

Mr. Braithwaite: That's right—and can the Premier tell us exactly when the station at Rexdale will be open?

Hon. Mr. Davis: Mr. Speaker, it is obvious the hon. member for Etobicoke is making up for lost time—

Mr. Braithwaite: Thanks a lot!

Hon. Mr. Davis: The member for York West (Mr. MacBeth) also asked this question last week of the Minister of Transportation and Communications. In my recollection the answer was there hadn't been a decision, or I don't think he—

Mr. Singer: He just said no.

Hon. Mr. Davis: He said "no" as of that date. I think it is fair to state that if the Star says that I said there would be one in Rexdale, the Star is perfectly correct, because I indicated this when we made a momentary pause going through Rexdale Saturday afternoon—

Mr. Singer: They reversed. The momentary pause is they reversed.

Hon. Mr. Davis: —when that great new service inaugurated by this government left Halton Hills, through Brampton, Bramalea, Malton and eventually Rexdale and Weston to Metropolitan Toronto. We paused at Rexdale and there were two or three people there who showed some interest, so I indicated then we would have a station.

An hon. member: I'll bet the member wasn't there.

Hon. Mr. Davis: And if the member for Etobicoke had been sufficiently interested and had been at Union Station at about 2:25 Saturday afternoon, I said there would be a GO station late this year on that particular service.

Mr. Singer: But why didn't the minister know that?

Hon. Mr. Davis: And, Mr. Speaker—if it will help the member for Etobicoke, because another issue was raised with me and it will save his asking—yes, I did say I was opposed to any expansion of Malton International Airport, which he should say or he's in some political trouble.

Mr. Braithwaite: Supplementary, Mr. Speaker, it's a pleasure—

Interjections by hon. members.

Mr. Speaker: The time for oral questions has expired.

An hon. member: The member will have to come back another day next week.

Interjections by hon. members.

Mr. Speaker: Petitions.

Presenting reports.

Motions.

Hon. Mr. Winkler moves that the estimates of the Ministries of Colleges and Universities, and Community and Social Services be referred to the standing social development committee.

Motion agreed to.

Mr. Speaker: Introduction of bills. The hon. member for Windsor-Walkerville.

MEDICAL DATA BANK ACT

Mr. B. Newman moves first reading of bill intituled, An Act to establish a Medical Data Bank.

Motion agreed to; first reading of the bill.

Mr. B. Newman: Mr. Speaker, this bill establishes a medical data bank in which would be stored the medical histories of persons in Ontario. The data bank would be of great assistance to doctors and hospitals where a patient moves to another city, changes doctors or is involved in an accident. Participation in the use of the data bank would be on a voluntary basis only.

Mr. Speaker: Introduction of bills.

Orders of the day.

Mr. J. Root (Wellington-Dufferin): Mr. Speaker—

Mr. Deans: Mr. Speaker, I rise before the orders of the day—

Mr. Speaker: I recognize the hon. member for Wellington-Dufferin first.

Mr. Root: Before the orders of the day, I would like to draw to the attention of the House something in which I think the members will be interested. Last evening 75 young

people returned from a 10-day visit to Ireland. This group—a choral group—was comprised of students from Erin and Eramosa. They went to various places in southern Ireland and took part in various concerts.

They entered the International Festival and Competition at Cork, Ireland, and I am pleased to advise the hon. members that these musical ambassadors from Wellington county and Ontario won first place in the competition, for singing the Hallelujah chorus.

Mr. Reid: Sing something for us.

Mr. Root: They sang under the direction of Mrs. Roberta Hoy, a director of music for the Wellington county school board. I felt that in this troubled world it is worthy of note that our young people are able to go abroad, harmonizing as ambassadors and bringing honour, credit and setting a good example to all of us.

Mr. C. E. McIlveen (Oshawa): Hallelujah!

Mr. Speaker: I am not certain of the section of our standing orders that covers that, but I believe it's in order.

Mr. Deans: Thank you, Mr. Speaker, I rise on what I think may well be a point of privilege.

As is known to most members of the House, I had served notice with you, sir, of my intention to raise a matter which I consider to be one of urgent public importance. Some members may well have prepared to debate that matter, but in the light of the difficult situation that has now arisen, in that negotiations have begun again and the possibility there will be a negotiated settlement, and my desire not to inflict any outside pressures on that settlement and to ensure that negotiations are taking place in the most amicable possible form, I am not going to proceed with my intention to have an emergency debate today on this matter.

Mr. Speaker: It certainly is no point of privilege—

Interjection by an hon. member.

Mr. Speaker: —nor is it a point of order. Again, I'm not sure which section of our standing orders covers it, but we'll accept it as being in order at this time. I might say I did receive the notice to which the hon. member referred, and as long as no motion is made at this time that takes care of the matter.

Orders of the day.

CITY OF CORNWALL ACT

Hon. Mr. Irvine moves second reading of Bill 31, An Act to provide for the Annexation of Certain Lands to the City of Cornwall.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, in this bill it's interesting to see that, as I understand it, the consequence of this annexation will be to further the development of the DREE agreement which has been signed with the city of Cornwall. As it is the first municipality within Ontario to be able to take advantage of this legislation, we're certainly pleased to see this bill coming forward. We hope this annexation will certainly bring the benefits which are looked for in the redevelopment of Cornwall and we certainly will support the bill.

Mr. Speaker: Does any other member wish to participate in this debate on second reading? If not, the hon. minister.

Hon. D. R. Irvine (Minister without Portfolio): Mr. Speaker, very briefly may I thank the member for Kitchener for his words. Certainly we look forward to the economic development of Cornwall continuing at the earliest possible moment. Thank you.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

THIRD READING

The following bill was given third reading upon motion:

Bill 31, An Act to provide for the Annexation of Certain Lands to the City of Cornwall.

LAND SPECULATION TAX ACT

Hon. Mr. Meen moves second reading of Bill 25, An Act to impose a Tax of Speculative Profits resulting from the Disposition of Land.

Mr. V. M. Singer (Downsview): Mr. Speaker, before we embark upon the debate, I wonder if the minister could throw a little—

Mr. S. Lewis (Scarborough West): It should be the member for Riverdale.

Mr. J. A. Renwick (Riverdale): I think my friend from Downsview is on the same point.

Mr. Singer: I'm not positive about what his point was. I didn't hear it.

Mr. Speaker: It is the custom of this House to call on a member from the official opposition first, which I did do.

Mr. Renwick: There's always a point of order which would give me an opportunity to put my point of view.

Mr. Lewis: That's simply bowing to precedent, for heaven's sake.

Mr. Singer: What is it they are doing? Are they filibustering? Are they angry?

Mr. Lewis: What is this nonsense, perpetuating the official opposition?

Mr. Singer: Thank you so much. I'm so glad I have the member's permission and I will proceed when I'm ready to proceed.

Mr. Renwick: If we can get on with the debate—is the member going to ask for the amendments?

Mr. Singer: Yes, I'm going to ask for the amendments. Is that all right?

Mr. Renwick: Fine.

Mr. Singer: Now that I have the member's permission, Mr. Speaker, I have heard varying estimates of the number of amendments we're going to have. The best rumour I've had is there are going to be 83. Before we start the debate could the minister make available to us the 83 or however many amendments he has? This is particularly important, Mr. Speaker, because some of the amendments really might change the principle of the Act we're being called upon to debate now. I think it would be only appropriate and in the true democratic process if we did see the amendments.

Mr. Renwick: Mr. Speaker, perhaps I could speak to that point of order?

Mr. Singer: It wasn't a point of order. He's out of order.

Mr. Speaker: Order, please. There was no point of order. I recognize the member to take part in the debate on second reading.

Mr. Renwick: Mr. Speaker, I was trying to protect the hon. member for Downsview's right to—

Mr. Speaker: Does the hon. member for Riverdale have a point of order?

Mr. Renwick: Yes, I do.

Mr. Speaker: Would he state his point of order?

Mr. Renwick: And it is in the interest of the member for Downsview that he recognizes it as a point of order or he will have given his second reading speech already.

Mr. Lewis: In fact he has, and it wasn't bad.

Mr. Renwick: But I think it is very important, Mr. Speaker—

Mr. Singer: That's not a point of order at all.

Mr. Renwick: —as the minister did, in the case of the Land Transfer Tax Act, on a point of order, provide the members of the assembly with copies of all of the amendments—

Mr. Lewis: Well, the minister provided an outline of them.

Mr. Renwick: —and indicate very clearly to us whether or not they affect the substance of the principle of the bill which we are now going to debate, because if they do I would think that perhaps, while we wouldn't be embarrassed, because we can debate anything on a moment's notice—

Mr. Singer: Certainly the member for Riverdale can; he has the same speech for all the debates.

Mr. Lewis: Well, it is serviceable.

An hon. member: The same words, too.

Hon. A. K. Meen (Minister of Revenue): I do not have copies of the proposed amendments here and would not expect that I would have them in suitable form for debate in the House until we get into committee of the whole House.

There are three areas in which I have had quite a number of submissions made to me, and I know my colleagues and many members opposite have also had a number of these points made to them as well. None of them gets to the principle of the bill itself—

Mr. Renwick: The minister is sticking to that, is he?

Hon. Mr. Meen: —as I assess the principle of the bill.

We have had submissions by and on behalf of companies that are essentially involved in land development and maybe do some building on their own serviced lots. They have indicated to us that were there to be a speculative tax applied to lots which they chose to sell off to other builders, the net result might be counterproductive in one of

our major objectives, getting more houses on the market. So we are presently looking at this particular area of submission.

There have been submissions made to me and to my colleagues also by municipalities which think that they and their boards of education and the like, should not be treated in the manner in which we have proposed to treat them. But again, if we were to do this, that would not amount to a departure in principle from those set out in the bill.

We have also heard from apartment owners who say to us that they are providing rental accommodation, that they are not speculating. So we are looking at that kind of situation because there again, the results which they suggest—and I am not convinced this would occur—but they have suggested that to treat them the same way as rank speculators might well be counterproductive in the interests of providing more rental accommodation on the market.

And so in those three areas anyway, my staff and I are giving consideration to the submissions made. It may be that when we get into committee I will have some suggestions to offer the committee at that time, but none of those, as I just simply repeat, goes to the root or to the principle of the bill.

Mr. Singer: Mr. Speaker, with that very clear and explicit explanation coming forward from the minister one is clearly able to enter into a meaningful debate about what this bill involves. One has to really follow the minister very closely, because in the debate on the Land Transfer Tax Act he did insert a phrase relating to this Act saying that subdivided lots would be able to be sold. Now this afternoon he has retreated from that position. He says it is under careful consideration and he may have something to say about it before we pass the bill through committee of the whole House, and I say, Mr. Speaker, that this is entirely unsatisfactory.

This bill was introduced to the House on April 9. Today is April 29, the better part of three weeks later. The bill has been here; we have all had a lot of submissions about it, we all have ideas about it. If there are major changes that the minister proposes to introduce we would like to know, and I think we are entitled to know, what the changes are going to be, because frankly, Mr. Speaker, I must say that as a parliamentarian I don't trust this minister. I don't trust this minister because he wants to remove to himself absolute authority to do legislation by way of regulation rather than put it in the statute books. He gave himself away in this again in the earlier debate on the Land Transfer Tax Act when he said: "I would hope that I could really have the power by regulation to determine the amount of tax rather than to do it in the statute."

This minister, unfortunately, Mr. Speaker, reminds me of someone who is bothered by the whole legislative parliamentary process. He wishes the whole thing would go away and that he could just pass a sort of general taxing Act, saying the government has the right to impose whatever taxes the Lieutenant Governor in Council wishes to proclaim from time to time, and it would make the task of this minister much easier.

Hon. Mr. Meen: Mr. Speaker, on a point of order and indeed a point of privilege. I do not believe I ever suggested to this House, either here or in committee, that I wanted to do any more by regulation than I absolutely had to.

Mr. Singer: The minister wanted to fix the tax rate by regulation and it is in his speech.

Hon. Mr. Meen: In fact, I indicated the converse situation, that I would prefer to have it in legislation.

Mr. Singer: Oh he did not. Let him read his speech.

Mr. Renwick: He indicated he wanted a fluctuating tax rate.

Mr. Singer: That's the trouble, Mr. Speaker, as you get into the regulatory powers that so many of the ministers want to take on to themselves, and particularly this minister, you get a clause such as 20(1)(2), where the Lieutenant Governor in Council may make regulations:

> exempting from tax any designated land or class of designated land or exempting from tax any designated land with respect to which disposition or class of disposition occurs.

That is one thing that is very, very wrong with this legislation. If the minister wants this kind of a tax, and there may be some justification for it, surely, Mr. Speaker, he should have the appropriate knowledge of legislative process to write into the statute when the tax is going to apply and not reserve to himself by this vehicle of an order of the Lieutenant Governor in Council, the right to make the statute nugatory insofar as anybody he chooses to exempt.

The minister invites and the Legislature invites, when it passes this kind of a section,

taxation by prejudice. If he doesn't like the colour of somebody's hair they can be taxed, and if he does like the smile on their face they need not be taxed. That is wrong and that is in keeping really with what the minister has put forward. I wish he would read his own speeches and see what he does in fact say. He can rise on points of order and points of personal privilege until he's blue in the face, but it doesn't change what, out of his own mouth, seems to be his basic approach to legislation.

This is one of the very serious things that is wrong with this statute because it doesn't clearly explain the basis on which the taxes are going to be levied. A few moments ago he said we have been discussing three particular fields of change. Maybe before the debate is over, he will be kind enough to let us know what kind of thinking the department has done in connection with these three kinds of changes. Then, maybe, we will know before the Act becomes the law of the Province of Ontario what in fact it means.

I say, Mr. Speaker, that's just not good enough. What the government did with great sound and fury was to say at budget time we're going to tax speculators. I don't think anybody really can say that speculators shouldn't be taxed. People who push pieces of paper around and exchange cheques and add nothing to the common good of the Province of Ontario shouldn't be allowed to take advantage of the present emergency situation, created to such a large extent by the government of Ontario, that they can make inordinate fortunes out of it. In principle, if this is just a tax on speculation that adds nothing to the public welfare, fine, and if that's all it says, again fine. Certainly my colleagues and I are going to support that principle. But even in supporting that principle, Mr. Speaker, I express our gravest concern about the looseness in the drafting of this statute, about the innuendoes that the minister throws forward from time to time and about his inability to bring before us a taxing statute that says what is going to happen within that taxing statute. People have lost their heads over bad taxing statutes: the Boston Tea Party, the Ship Tax and the Salt Tax. I don't know; does the minister ever read parliamentary history?

Interjection by an hon. member.

Mr. Singer: Does the minister wonder about these things at all? Does he not know that one of the most jealously guarded rights of any Legislature has been that the taxing statutes of governments must be exact and specific and that people must know what they involve. If the minister does and if he is that much of a student, how can he have the nerve to come before us with a taxing statute that is as loosely worded as this one?

I say the minister is making a mockery of the whole legislative process in bringing forward a bad statute, even though the one underlying principle seems to have substantial merit.

Dealing again with the one underlying principle, Mr. Speaker, one would have thought, listening to the Treasurer (Mr. White), and perhaps even listening to the minister—although it is very hard to draw any single train of thought out of what the minister says—one would have thought that accompanying this bill and the Land Transfer Tax Act would have been companion legislation that would indicate the way in which we are going to produce more houses, because that, apparently, is the second important principle that should be embodied at least in the theory put forward by the Treasurer.

We are going to stop foreign speculation in land—that bill has gone through—and now we are going to tax speculative profits resulting from the disposition of land. That, theoretically at least, is supposed to produce more housing. Nowhere along the line, Mr. Speaker, has there been any indication in this bill, or the remarks of the Treasurer or the remarks of the Minister of Revenue that the taxes garnered from this bill are going to be devoted to providing serviced land; are going to be devoted to building watermains and trunk sewers and sanitary sewage disposal plants, and that sort of thing. As yet the government hasn't recognized the basic law of supply and demand and the government just doesn't understand that the way you are going to bring housing prices down is not by taxing speculative profits, and not by taxing land transfers to foreign owners. But you are going to bring housing prices down when there is a supply of serviced lots on which people can build houses.

Mr. Speaker, here is the first thing that I don't understand in this statute with the imposition of this tax. For instance, supposing a person has assembled a large acreage of land, say a couple of hundred acres or 500 acres, and has worried his way through the jungle of red tape that involves the development of land. And he has gone and taken part in what is now being called, ho

ho, the speedy process that the government was going to work out. This is the speedy process where you can get a subdivision plan quickly processed.

When he has arranged for an official plan change and a zoning bylaw change and a plan of subdivision—and these are some of the steps that are involved, Mr. Speaker. You are familiar with municipal processes, and I don't need to elaborate to you as to how many local meetings of planning boards and councils are necessary.

I am sure the process applies all over the Province of Ontario, but in one borough of Metropolitan Toronto, first you meet informally with the aldermen and the ratepayers. Then, after the staff has carefully examined the draft plan of subdivision, maybe, if there is a good planning report or a favourable one, you can have a private meeting to which you are summoned. Then, if you pass the private meeting, maybe then you can have a public meeting to which notices go out and the ratepayers come. And then after you have gone through a public meeting on the planning board level, then after, if you push the municipality hard enough in three or four months, you can get it before the council.

Then the council has reports of the public school board and the separate school board and the high school board and the engineers and the roads people on their own level and at the Metro level and there is another public hearing and the ratepayers can come again. Then, maybe eight months, 10 months, or a year after, when this has all been done maybe the council will pass a resolution saying, "Good idea, good plan; let's go forward."

Then, if you push hard enough and sign the right agreement and you negotiate backwards and forwards with the local solicitor and the agreement is signed and you put your money up, maybe two or three months after that you can get a bylaw passed. And if you are unfortunate enough—and in most cases you are unfortunate enough to get caught up in an official plan change—something goes off to the minister at the same time where it seems to sit on a variety of desks while the minister circulates all the same people and gets reports from the traffic people and the Ministry of the Environment, the pollution people and the—

An hon. member: It works on.

Mr. Singer: It works on and on and on. Then maybe, Mr. Speaker, you get to a hearing before the Municipal Board—if the minister's pieces of paper have caught up with your zoning bylaw change and notices have gone out again, and if one protestor happens to appear then you have to get a public hearing before the OMB. I don't particularly blame the OMB, but their schedule of public hearings is lengthy and if you can't get on for a hearing before then, it's another six or eight months.

Well, if you survive this speedy procedure and you have someone knowledgeable enough who can bother the necessary civil servants along the way maybe you can get your plan of subdivision approved two or three years after you've started.

Mr. P. G. Givens (York-Forest Hill): This century.

Mr. Singer: Now no one can afford that unless they are able to hire the most expensive planning talent and the most expensive legal talent. So it is really impossible and ridiculous to imagine that any small person—I don't like those words "small person"—any person whose ambition to develop land runs anything lower than 100 lots is able to embark upon this at all. People who want to get into either the development business or the building business and do it in anything other than a grand capacity with unlimited funds at their command and who are prepared to carry the expenses for 2½ or three years, even under the new speedy process that we've got, are just unable to do it.

Where along the way, Mr. Speaker, does this bill or any companion legislation help to remedy this terrible situation that this government of Ontario has allowed to come about?

In fact, what the bill says is that the small builder is out of business. The small builder is effectively prohibited by the provisions of this bill from going to the developer and buying three or four or five lots on which he can put houses because no developer is going to be able to sell it to him without the payment of this 50 per cent speculation tax.

That was why I was particularly interested in trying to elicit responses from the minister, because he did have that phrase in the earlier debate that this was going to be exempted. If it is going to be exempted and he is going to let the small builder carry on—and there are thousands of them in the Province of Ontario—if he is going to let these people carry on in business, for goodness sake why can't he say so and say so now? Why couldn't he have said so a few minutes ago when he was specifically asked that question?

If that's what he is going to do with this big, broad broom that he is bringing in to

sweep away and attack evil speculators, then I say it is very, very wrong and it is going to set back any programme of housing in this province very substantially.

What is going to happen is that the minister is going to turn developers into builders; many developers don't want to be builders and many small builders are quite prepared and happy to build their four or five or six houses a year. There is nothing in the statute that is going to allow these people to continue.

Then, Mr. Speaker, having reached this point, I am amazed at the goodness of the minister when he says, "as far as we know the federal government will allow this 50 per cent tax to be deducted as a cost of doing business." Now that "as far as we know" is a very, very interesting phrase, because I can add to that my comment that as far as I know the federal government is going to make no such allowance.

In fact I had an opportunity over the weekend of talking to a few of my friends in Ottawa. They said as far as they know there is no such allowance contemplated by the Parliament of Canada. Now when the minister gets to the point that we are going to have to legislate on the basis of "as far as he knows", rather than upon what is fact, I think again there is something very seriously wrong with the legislative process.

While there was in the budget some interesting graphs which showed that where these speculators became involved, taxes could run as high as 81 per cent in the case of a private individual or 86 per cent in the case of a corporation, that was based, Mr. Speaker, on the minister's speculation that this 50 per cent tax was going to be allowed as a cost of business. In fact, relying on the minister, and I don't know why, one of the prominent real estate firms said in an article this weekend that this was the way the tax was going to work.

It's a shame, Mr. Speaker, that we can get to this state. We are having articles written by people who apparently know what they are talking about—and in this case they didn't—based on the statement by the minister that "as far as he knows it is going to be allowed as a cost of business." That is no good, because if, as far as the minister knows, he is wrong, then the tax runs as high as 112 per cent. Just pause and think about that. If it is not allowed as a cost of doing business and it is added on and you are taxed on the full amount of that profit, then the cost is 112 per cent.

Consider for a moment with me, Mr. Speaker, what is going to happen, say, to a widow whose husband when he died left her a small estate, and she took whatever her husband left her, took some advice from the member for Eglinton (Mr. Reilly), or from me, or from someone who said, "Why don't you buy a duplex or a triplex. This will be a hedge against inflation, you'll get some income from rent and this is a way that you are going to protect the small estate that your husband has left." Fine, good, out she went and she did it.

Now the same lady is getting older and perhaps her arthritis is bothering a bit, or perhaps she is sick and tired of fighting with tenants who call her up in the middle of the night and complain about the leaky faucets, or the plumber's bills are too high, or, for whatever reason, she has decided to liquidate her assets here and move to Florida or California or somewhere where it's warmer and the winter won't bother her so much. What happens? Our friend the minister comes along to that lady and says, "Tough. If you happen to have made a profit between April 9, 1974, and any future date you are going to have to pay 112 per cent of that profit, as far as we know. If you are lucky it won't be 112 per cent, as far as the minister knows, because if those terrible guys in Ottawa change their minds and allow it as a business expense you'll only have to pay 86 per cent of that."

This is the way one has to read this statute, Mr. Speaker, and I say that is most unfortunate, because it is certainly a legitimate and logical conclusion one must draw. The member for Eglinton and I talk about these things frequently. I think this is the kind of reasonable advice we would both give to someone who is faced with that kind of a problem. There are a lot of people who do it, and they are not really speculators. There are people who are benefiting from the work that was done in this community over many, many years by their husbands and themselves, and they are now trying to take some reasonable protection for themselves against the inflating costs that have beset our society.

But that's not good enough for the minister. He wants to get them, and he will get them if this bill goes through in its present form, because that's what is going to happen to this lady. I say that is grossly, grossly unfair, and if we are talking about amendments then we are going to talk about them in that light. That is why the minister should have had the decency to tell us in advance of the start of this debate exactly what the changes

were going to be, but he hasn't seen fit to do it. Let the record then speak for itself.

He wants to do things behind the scenes and he wants to reserve unto himself the power of God, power greater than the Stuarts or the Charleses or anybody else who had their heads cut off as these parliamentary struggles went on. He wants to reserve that power to himself and change the statute by permission of the Lieutenant Governor in Council, which is really his recommendation. I say that is wrong, Mr. Speaker.

Mr. Givens: Why don't the Tory members tell them this in caucus?

Mr. L. M. Reilly (Eglinton): Would the hon. member for Downsview calculate the 112 per cent for us?

Mr. Singer: I have got the calculations and I will check them with the member privately. I am satisfied that they are reasonably accurate.

Mr. Reilly: I have 110 here using my figures.

Mr. Singer: Yes. I am satisfied that they are reasonably accurate.

Mr. R. G. Eaton (Middlesex South): As far as the member knows they are reasonably accurate.

Mr. Singer: And I am not using this as a scare tactic; I am using this based on the minister's reply, that as far as he knows this will be an expensive business.

Well, one doesn't bring legislation in based on "as far as I know," or based on the decision of another jurisdiction. If you are going to bring in legislation you bring it in based on facts, not on idle speculation by this minister, because it is just as easy for me to speculate on the basis of a couple of casual hotel corridor conversations I had over the weekend. As far as my federal friends know, there is going to be no such allowance, and that's not authoritative either.

But when we are putting taxes on the people of Ontario it should be based on fact and not on my speculation or on the minister's speculation.

There are several other things that bother me about this very, very badly, badly drafted legislation. Let's look for a moment, Mr. Speaker, at some of the enforcements. Let's talk about farmers for a minute. I am not one who has been the strongest advocate of more benefits for farmers, and some of my colleagues can tell the House that, but I think in this statute the government is picking needlessly on the farmers. He is saying to a farmer who has had a farm in his family for several generations that only if he sells it to his sons or to somebody who is going to continue the farming use is he not going to get caught up in this taxation.

Why? Here's a farmer who has carried on a farming business for several generations and the minister says whether it's a good farm or a bad farm, whether the farmer and his family are able to sell it to somebody else for farming uses, we are going to pounce on them, too. And like the widow I was just telling members about, his incidence of tax can go the 112 per cent route, too. Is that fair? Of course it is not fair.

The exemptions in this Act insofar as they apply to farmers are quite ridiculous. And the alternative? Obviously, the minister said, "We're not going to be that bad. We're not going to be that mean. We're not going to be that unconscionable. We're going to use the general regulatory power and if you can come into my office and tell me you're a good farmer and maybe you belong to organizations populated by certain friends of mine, maybe we'll reconsider." There are no guidelines set down as to the basis on which the minister is going to exercise his great favours or bestow them upon people of the Province of Ontario.

Let me talk for a moment, Mr. Speaker, about the enforcement provisions here. I think these are about as bad as anything I've seen in any statute, be it taxing or anything else. The Act, in its plan, allows the minister's officials to go into somebody's office, to gather information and to see his documents and records. Theoretically, at least for the purposes of this Act—and that part is fine—if there is reasonable ground to believe that an offence has taken place under this Act—as is done in relation to income tax and certain other taxing statutes—sales tax—they can go in, seize the documents, seize the papers for the purposes of this Act. But is this minister content with that? No, sirree.

These provisions go on to say, for instance in 18(4), that once the documents are seized —and perhaps it may be found that their suspicions about the purpose of this Act being breached are not in fact correct—do you know what they can do with the records, Mr. Speaker? They can take them to any other department of the provincial government which is concerned with taxing matters. I don't know what being concerned with taxing matters really means.

I suppose the Attorney General's ministry is concerned with taxing matters. If the docu-

ments seized under the powers given in this Act seem to relate in some manner to a law enforcement problem which can be interpreted as relating to taxing matters all of the information and books and records can be turned over to the Attorney General. They can be turned over to any other department of the Province of Ontario which is concerned with taxing matters.

As if that were not enough, the statute goes on to provide that the same information, the same documents and the same records, can be turned over to any other department of the federal government which is concerned with taxing matters. Again, without going through the whole train of thought, there is the federal Minister of Justice, the federal income tax people, whatever other department of the federal government may be interested in taxing matters—perhaps the Ministry of Agriculture which gives subsidies. As if that were not enough, Mr. Speaker, it goes on to say that the information, records and documents can be turned over to any department of another provincial government with whom we have a reciprocal agreement.

All of the same dangers flow from that. What kind of legislation is it which allows the government to come in, investigate a particular offence which it must have reasonable grounds to presume is taking place and then dissipate this information to all sorts of other agencies of all sorts of other governments?

My colleague here said "gestapo" and it sounds to me that that is exactly what it is. It is a gestapo arrangement which the minister is setting up. It allows his officials to go in to anybody's business on a fishing expedition to gather together whatever information they find and if it isn't enough to allow some action under this statute, to disseminate it to any other department of the provincial government, the federal government or the government of another province.

I say that this is as bad—and I tried to get at it in the question period, and the Speaker ruled, perhaps with some merit, that I was out of order at that time because this debate was on the order paper. Well, I'm not out of order now, Mr. Speaker, and I say, that these kinds of search and seizure provisions in this statute are worse than anything that was in Bill 99, and have to be changed before this bill goes on further.

The limitation period is six years, and I think that's too long. I think if the ministry is doing its job, it should be able to determine whether or not it feels there has been an offence under this Act in a much shorter period than six years. I see no reason why, unless some kind of criminal offence has been definitely proven, and we don't need a limitation period for that, this minister should be given six years in limitation.

Another section, section 10(9), states:

> No assessment shall be vacated or varied on appeal by reason only of an irregularity, informality, omission or error on the part of any person in the observance of any directory provision of this Act.

Well, what does that mean? That means the ministry can be as sloppy, as inexact and as incomplete as they want to be. Then, if they've made bad mistakes in drafting their informations or in any formal procedure that they're required to follow, they're excused by these exculpatory provisions in section 10(9).

Again, Mr. Speaker, I wonder how much parliamentary history this minister has studied and whether or not he knows that the courts have always interpreted taxing statutes in their strictest possible sense, and that where formalities are laid down for any ministry, those should be strictly and absolutely adhered to; and if they're not, then it's the fault of the ministry.

Surely we don't need an exculpatory provision of that nature in a taxing statute brought forward by this government which says, in effect, if the government have made some mistakes in their forms, their methods, their dates or their procedures, "don't worry about form, we've got section 10(9), which will excuse them."

It seems to me, Mr. Speaker, that before proceeding really any further, this bill should be taken back to the drawing board to satisfy the very serious concerns put forward by people who really want to build houses. The small builder who wants to build three, four or five houses is going to be put out of business unless the bill is changed. I say that we're not going to do the job properly unless we change it in the legislation. And we have the right to know whether or not the minister is going to do that.

The problem about the municipalities and the boards of education certainly should be attended to and should be in the statute. And we should be able to see the method by which the minister is going to do it, and not let it be reserved to the royal prerogative that this minister now wants to assert for himself and to be changed by regulation at a later date.

The questions of apartment owners, the vacancies of apartment units, the accelerat-

ing rates of rent—those should be dealt with right now, before this bill goes another step. I think, Mr. Speaker, that there's got to be some provision in this statute for allowing an exemption from this tax on the basis that once a subdivision is registered, if the developer takes a piece of raw land, turns it into a subdivision and makes buildable lots available, there should be an availability of selling those lots to an individual builder and allowing him to go ahead and build without this 50 per cent tax being thrown in the middle. That's the least that can be done. If we don't do that we're going to drive all those small builders out of business. Or else they're going to become the employees of the developers.

We're going to get to the stage very quickly, unless some of the very basic things in this Act are changed, where there are going to be perhaps five builders and developers, because the developers will turn into builders. There will be five, eight, perhaps 10 of them in the whole Province of Ontario. That's what's going to happen—and it just shouldn't. So that has got to be written into this Act before it goes much further.

There are also provisions for farmers and for the person who invests in a small income-producing property and then wants legitimately to get away from it. Well, those are some of the main points.

There are the enforcement provisions, the limitation period, and search and seizure, which means, "Go in and have a look and see what can be found, and if there is an offence being committed" — they should absolutely be changed.

Mr. Speaker, having said that and having expressed my very great disappointment in the ministerial approach, in the lack of exact draftsmanship, and in the lack of concern with true parliamentary principles, I am going to say as well that a bill that will tax people who are true speculators and who do nothing more than push pieces of paper around is in principle worthy of support. On the whole, before the bill becomes law, we think this is all that will come out of the bill, not the removal of the rest of the iniquities.

We will support it on second reading, but if we don't see by the time it gets to the next stage the kind of changes that we have talked about, we may change our approach.

Don't let the minister smirk because he is not going to catch us on that kind of an approach. We have been at this far longer than he has and we can tell from his own remarks the kind of approach he wants namely, to leave it to good old Arthur and he will fix it by regulation. We are not satisfied with that. We will let him get this far and see what he writes in the Act by way of amendment.

For the time being, Mr. Speaker, we are going to support the principle of the bill, but my colleagues and I are going to watch very, very closely the kind of amendments that are brought forward. If they are not good enough, by the time it gets into committee and on third reading we may completely change our approach. We think this kind of legislation in principle makes some sense but it has got to be done properly. Let's hope the minister will make it sensible before it goes any further.

Mr. Speaker: The hon. member for Riverdale

Mr. Renwick: Mr. Speaker, I would like to say right at the outset, and I think the reasons for our decision will be clear by the time the course of debate has run, that we will oppose this bill on second reading on a number of basic fundamental grounds. Having said that, let me talk a little bit about the bill itself and the taxing provisions of it, so that we can lay the framework within which we are concerned that the government should even for a moment consider the introduction of such legislation for the purposes that the Treasurer has stated in his budget address.

I want to associate myself, before I deal with the first four sections of the bill, with what the member for Downsview has said about the departure of this bill from any semblance of adherence to the traditional principles which govern taxing statutes. That's one of the major points that we want to make about the bill, but it is only one of many points. I share with the member for Downsview not only an absolute concern but an abhorrence of a taxing bill which is so misconceived that it provides such regulatory powers, even though the regulatory powers are to be exercised by the Lieutenant Governor in Council or by the cabinet.

If they are exercised by the minister or by the cabinet it makes no never mind to the point that I want to make about it. I do not know and I am not aware of, and perhaps the minister will be in a position to answer during the course of second reading debate, on what conceivable principle this is based. I hope that he will be able to justify his position, because I con-

sider it unjustifiable to point to some other taxing statute of the Province of Ontario which contains a regulatory power such as that the Lieutenant Governor in Council may make regulations "exempting from tax any designated land or class of designated land or exempting from tax any designated land with respect to which any disposition or class of disposition occurs—"

Mr. Singer: King Arthur the First.

Mr. Renwick: —or a bill which contains a regulatory power which provides that the Lieutenant Governor in Council may pass regulations "providing for relaxing the strictness of this Act relative to the incidence of tax hereunder in special circumstances where, without such relaxation, inconvenience or hardship might result or the development of designated land might be impeded."

If there is one thing about taxing statutes it's that they should be so clear and so precise and so accurate that they do not lend themselves to special-interest lobbying, be it for a meritorious purpose or be it for a business or some such other purpose. You just do not lobby the government on the question of whether or not you can be exempt from the tax because of special circumstances, Mr. Speaker.

I recognize that that particular problem is a difficult one to put forward as a matter of major concern, but the constitutional principle is quite clear that the taxing statute, not the regulation, must not only levy the tax it must contain the precise definite framework within which that tax is to be levied so that one knows on what the tax is levied; in respect of what the rate is determined; by whom the tax is going to be paid; that the tax should be paid by all persons who fall within the particular framework of the statute; that it cannot be deviated from; it cannot be altered; there can be no special consideration given to one taxpayer over another taxpayer. The bill is flawed in principle if only because of the inclusion in the bill of those two provisions.

I want to say this very clearly and we will deal with the point when the bill comes to committee of the whole House—I assume the minister is not going to put this out to a standing committee? Perhaps he would nod or otherwise indicate what committee he is going to send this bill to as we will be asking that it go to committee. Is he going to send it to a standing committee or is he going to deal with it in committee of the whole House? Perhaps the minister would indicate which committee he is going to ask that the bill go to if he has made up his mind?

I see the minister has not made up his mind. I assume from that that he may be going to withdraw the bill at some point because he does not know which committee it is to go to.

I make this specific request, Mr. Speaker: That the bill go to a standing committee of the Legislature and not to committee of the whole House in order to allow persons who have a concern about the bill to express their views in connection with it.

The second point on which I share the concern of the member for Downsview is with respect to the disclosure provisions relating to the information which comes to the government in connection with the matters related to the enforcement of this taxing statute.

I share that concern; that again is a second principle on the basis of which we would oppose the bill. I do not know how, with those particular clauses in the bill, my colleagues to the right, as stated by the member for Downsview, are going to support the bill. The bill itself to me is abhorrent on those two bases alone, let alone on the substance of the policy which is embodied in the taxing statute and which was stated by the Treasurer during the course of the budget debate.

Let me look at the bill from another viewpoint. I suggest to the government that any bill which runs, in relative terms, to some 27 pages of which, for practical purposes, the last 18 pages deal with enforcement—the first few pages of the bill deal with the actual levying of the tax—indicates quite clearly that the government is already aware, even at the first blush of drafting the bill, that the bill is going to lean heavily upon the capacity of the government to enforce it and the difficulty which the government anticipates it will have in enforcing the Act in any even-handed way so that all persons will be treated equally before the law with respect to this particular taxing statute.

I make that point because I want to spend a few minutes trying to state, in as simple terms as I believe it is possible for me to do so, what the guts of the bill are about. The guts of the bill are contained in the first four sections, the first section of the bill containing a large number of definitions which are integral to the understanding of the bill.

The bill provides in section 2 for two taxes. I'll come back to the second tax which is hidden away in this bill but I want to deal first of all with the one which has the notoriety attached to it, namely the ques-

tion of whether or not a 50 per cent tax will be levied.

The bill states that where, after April 9 any disposition of designated land occurs, there shall be imposed a tax upon the designated land with respect to the disposition at the rate of 50 per cent of the taxable value.

Let's talk a little bit, first of all, about designated land. We look at the definition of designated land and we find that it is extremely broadly, all-inclusively drawn, and it's not done by way of inclusion. It means "all land situate in Ontario and every right, estate, interest, tenement or hereditament existing at law or in equity in, over, to, or affecting land or capable of being registered in any land registry office in Ontario, fixtures, and buildings or structures attached to land, whether or not owned by persons other than the owner of the freehold of the land to which they are attached."

I would take it that that is as all-embracing a definition of designated land, or land for that matter, as could be conceived for the purposes of a taxing statute. So that it purports to impose a tax on all designated land as so defined.

Then it carves out certain exceptions. And you have to hunt around a little bit to find out what land is not to be covered or what persons are not required to pay tax with respect to that land. The first exclusion is that land "does not include any land in Ontario that is within the meaning of paragraph c of subsection 15 of section 66 of the Income Tax Act (Canada)," namely, the definition of Canadian resource property.

I think it's very important that we understand that first of all this tax does not apply in any way to any property which falls within the description of something called Canadian resource property, and that definition as set out in the Income Tax Act of Canada in the particular section to which it refers—and I'm going to quote it in extenso, Mr. Speaker, because I am most anxious that the record clearly show exactly the first kind of land which is carved out of the definition of designated land. So that no tax is levied on any property:

> . . . that is
>
> (i) any right, licence or privilege to explore for, drill for, or take petroleum, natural gas or other related hydrocarbons in Canada.

That's item (i). Item (ii):

> any right, licence or privilege to prospect, explore, drill or mine for, minerals in a mineral resource in Canada;
>
> (iii) any oil or gas well situated in Canada.

And of course, if I may say in parenthesis, this refers in our taxing statute being considered here in this debate, to such items situated in the Province of Ontario.

> (iv) any rental or royalty computed by reference to the amount or value of production from an oil or gas well, or a mineral resource, situated in Canada;
>
> (v) any real property situated in Canada the principal value of which depends upon its mineral resource content (but not including any depreciable property situated on the surface of the property or used or to be used in connection with the extraction or removal of minerals therefrom), or
>
> (vi) any right to or interest in any property described in any of subparagraphs (i) to (v) . . .

to which I have referred.

I frankly don't understand why it would be necessary to have that exclusion in the bill in the first place and I want an explanation, which undoubtedly the minister will be prepared to give at the time when that question comes before us when the bill is in committee.

That's the first exclusion from designated land; then one must look, Mr. Speaker, to the wide-open doors which are then carved out of this so-called all-embracing definition of designated land. The wide-open door is set out in section 4 of the Act, and there are listed from (a) to (h) the exemptions which will be the delight of every tax lawyer in the Province of Ontario who advises persons who are engaged in the development field with respect to real estate.

I doubt if there is a single one, other than one related to the individual home ownership, that is not subject to abuse; abuse in the sense that in accordance with the provisions which are known to all persons administering taxing statutes, a person can so order his affairs in order to minimize his tax. I use the term "abuse" within that framework, that it will be possible for people to so order their affairs, using from one time or another time any one or other of a number of these exemptions in such a way as to vitiate the collection of the tax by the revenue.

The one which appears to me to be reasonably clear and not likely to cause problems is the one where the designated land disposed of is the principal residence of the transferor, ordinarily inhabited by him or by him and his spouse, children or other depend-

ents and so on, together with the land which is contiguous to or subjacent to it, up to a 10-acre parcel.

I think that that probably is the only clear exemption which cannot be subject to some kind of abuse, although whether or not that will have any effect in stabilizing housing prices in the Province of Ontario, let alone in Metropolitan Toronto, is another question that we can come back to later on in this debate on the bill.

But as I understand it, with the exception of those areas where land is disposed of to the government or where land is taken under some statutory power of expropriation, what the bill for practical purposes is saying is that any pre-development land, whether serviced or not, is subject to the tax.

They also then go on to exempt from that application of pre-development land any land which is used for a particular kind of tourist resort, of the class, kind or designation to be prescribed by the minister by regulation. So that is exempted from the provisions of the Act, and therefore the escalation of land prices, to the extent that they are involved in the tourist industry, are not subject to any of the controls imposed by this particular statute.

It then exempts any land which is predominantly used for commercial or industrial purposes other than a commercial purpose related to the multiple dwelling accommodation business, such as apartment buildings, condominiums, presumably co-operative housing or duplexes, and I pause to make the point that I take "multiple dwelling" to mean more than one, so that for practical purposes the tax is imposed with respect to multiple dwelling accommodations unless it meets certain further tests in the statute.

The further tests in the statute, so far as I can understand them, are that with respect to residential land used for multiple dwelling purposes, that is, non-industrial, non-commercial, but multiple dwelling accommodation, that the only situation in which that land is exempt from the tax is where it has been developed by the owner of the land. That is contained in the exemption, which, as I see it, is spelled out in another subclause—subclause (g) of the exempting provision.

So if my reading is correct, the government is going to tax pre-development land, serviced or unserviced, if it changes hands. It is going to tax multiple dwelling accommodations, that is, accommodating more than one occupant. It is going to subject those to tax if they are sold by persons who have not constructed the building on the property or have not renovated it to the extent of 20 per cent of the value and that 40 per cent of the value is represented by the builder.

Now, it seems to me that that very method of stating that exemption must indicate to the minister that he is immobilizing the sale of multiple dwelling accommodations in their present form in the Province of Ontario, unless they happen to have been built by the person who presently owns them, and meets the test—20 per cent in the case of renovation; and 40 per cent in the case of the actual construction of the building—the test that 40 per cent of the total proceeds of the sale represents the value of the building.

I am satisfied from discussions which I have had about the bill with persons who I consider to be knowledgeable about it, that the listing of exemptions—including the farming exemption; the exemption for industrial and commercial properties, other than multiple dwelling accommodation; the limitations with respect to the disposition of multiple dwelling accommodations—are so subject to abuse, so subject to change and alteration, that it will be possible for a person with proper advice to avoid the tax.

I am not, at this particular point in time, about to dwell on those provisions of the bill dealing with certain types of corporate structures where 50 per cent or more of their assets are designated land, or the situations in which a change in control of those corporations will bring the tax into play, because it would appear to me to be quite clear that it will be possible for corporations to so organize their affairs that if the statute remains in the language which is presently set out in the statute, it will be quite easy to avoid the tax by a change of control of a particular corporation.

I don't intend to spell out all the details of that at this particular point in time, but we can certainly do that when the bill comes to the committee stage.

So, Mr. Speaker, basically what I am saying with respect to designated land is that when one analyses the definition of designated land, and then one takes out from the definition of designated land the land which is not included, either by virtue of the exclusion in the definition, or by virtue of the exemptions from the tax set out in section 4 of the bill, one will find that within the language of the exemptions there are methods by which the purpose of the bill can be defeated in terms of the taxing net which the government intended to cast.

In addition to that, the very nature of the exemptions will cause land to move into industrial and commercial purposes when, in fact, the need and the purpose, as I understand it, was to provide some kind of stability with respect to land insofar as it is used for housing accommodation of one kind or another.

If my understanding of it is correct, the only way housing can be built now in the Province of Ontario is by the persons who own the land, whether it is raw land, serviced land or other land available for development.

I'm not going to labour this point, because each and every one of us has been lobbied one way or another with respect to the question of the disposition of serviced land by developers to other builders for the purpose of enabling single-family or multiple-occupancy accommodation to be built on that land. That has been one of the principal thrusts of the lobbies which have appeared in the Legislature and have approached, I am certain, practically all of the members of the Legislature about this bill.

I am assuming that some kind of an amendment is going to be drafted to prevent that particular effect, because what will happen if we do not allow that to operate, is that we are going to put out of business any number of small builders, as the member for Downsview has stated. But, in addition, we are going to produce a situation where the large developers, through their overall monopoly of land available in the urban areas for servicing, when they build the dwelling accommodation on those lands, will be able to dictate the prices at which they will be sold—

Mr. Singer: And they will be the only builders.

Mr. Renwick: —and those prices are the uncontrolled prices. There is nothing in this Act which will relieve against the traditional way in which any monopoly of a relatively scarce commodity will be used by those who own it to enhance the price.

Mr. Singer: Right.

Mr. Renwick: I am not suggesting that the transfer of land to the small builders necessarily will keep the price down. But the fact of the matter is that it may very well be one of a broadly based framework within which housing accommodation is built; and if we eliminate it, we certainly do something to raise the price charged by those who have the privilege, which we are now conferring under this Act on those who may construct housing and other residential accommodation in the province.

At this particular point, Mr. Speaker, I would like to try to summarize what I have endeavoured to state in a long, round-about way. Anybody who wants to understand the Act need only read section 2 and section 4 of the Act, then refer to the definitions in section 1 of the Act. That is all that is required. Then one must work out all of the minutiae of the details of those particular definitions, the way in which they apply to the taxing section of the bill and the way in which the exemptions that are granted fit into the taxing exemptions of the bill.

I noticed that one has to look very carefully to find out that if a person dies and leaves designated land, which would otherwise be caught in the taxing net, whether it is left by will or on an intestacy, presumably there is no tax even though in the definition section it is included in the definition as a disposition that would be taxable. Yet somewhere in the clause which deals with the proceeds of disposition one finds there are no deemed proceeds received on disposition by will or on an intestacy. I assume that means the drafters of the Act and the minister intend that there be no imposition of this tax merely as a result of the death of the owner of the property. It's an extremely roundabout way to get at that particular result. There may be good reasons for it but perhaps the minister, having nodded, may take the trouble when he replies to make certain everyone understands that particular aspect of this bill.

When one comes to certain of the definitions—I have tried so far, Mr. Speaker, to deal with designated land as the basis upon which the tax is levied in the Province of Ontario—we must come to the next question and that is "What is the taxable value of that designated land?" Taxable value is defined as meaning the proceeds of disposition of the designated land—that is, if it happens to be taxable—in excess of the adjusted value of the designated land at the time of its disposition. There is a magnificent definition at the beginning of the bill of how one calculates the adjusted value of the land.

Again, I don't intend to go through it seriatim in order to try to establish all of the things which are involved but I am saying to the minister that in endeavouring to enforce this statute, he is of necessity going to have to increase the number of people in the ministry for the purpose of making the statute work. The minister has agreed that until such time as the Supreme

Court holds the Land Transfer Tax Act, 1974, to be unconstitutional he has to have additional persons on his staff. In this particular instance, Mr. Speaker, he is going to have many more.

The reason he is going to have to have many more is that there is going to be the necessity of deciding whether or not alterations, repairs, improvements and renovations are to be classified as maintenance costs or classified as the kind of costs which will go into the capital calculation with respect to whether or not a particular vendor of multiple accommodation land, under the exemption to which I have referred, will be able to meet the test of 40 per cent value of the building with respect to the land, and the question of whether or not the renovations meet the 20 per cent requirement in those cases where the owner has gone about the two-step operation of renovating the property rather than himself constructing it.

Again without purporting in any way to be an expert in the particular field, I simply want to draw the minister's attention, as his advisers undoubtedly know, to what has become a relatively classic case in Canadian tax law with respect to the problem of whether or not expenditures made by the owner of property can be classified as expenditures on account of revenue or expenditures on account of capital; that is, whether they are capital expenditures or whether they are revenue expenditures.

I think he is creating a veritable mare's nest for persons who are legitimately engaged in business. We may not like the way in which the land development business has gone on in the Province of Ontario but there are legitimate men and companies in the land development business and you are creating untold tax problems for them. They are going to have to argue with the minister with respect to the disposition of properties that the values are as set out. And the minister knows that there is a great deal of property being repaired and renovated and improved and that one of the major thrusts of the housing programme of this government, and of the federal government, is to stimulate that kind of rehabilitation of housing. The case to which I referred is the decision by Mr. Justice Jackett, the president of the Exchequer Court in the case of Canada Steamship Lines and the Minister of National Revenue in 1966, Canadian Tax Cases, at page 255.

Of course, in that case the taxpayer was arguing to deduct them for tax purposes. In the case of this particular bill there is going to be an argument as to whether he wants to include them within the 10 per cent limitation of net maintenance costs, which is the added additional yearly increment that he will be able to add on as part of the adjusted tax value in order to increase the adjusted tax value so that he can deduct it from the proceeds of disposition and get a lower amount on which he ultimately will have to pay the 50 per cent tax.

On the other hand, if he has renovated the building he is going to have to argue that many of the items which are basically repairs and improvements and within the framework of the Income Tax Act and the distinction between capital expenditures and revenue expenditures, would fall within repairs and therefore be deductible. He is going to have to argue that they are part of the capital of the building, so that he will have the benefit of that provision which will grant him the exemption to which he refers.

Well, I simply say that the minister must have overpowering reasons to believe that the policy of the government will be implemented by this bill before the minister foists that kind of obligation upon the taxpayer in this province; or before he assumes to increase his staff to be able to deal with that kind of a problem. Because it is going to be vitally important to determine whether or not the work which is done on an existing building in the city of Toronto falls within the framework of being maintenance, or whether it falls in terms of the framework of being a capital expenditure.

I am sure a lay person walking down the street and seeing a house which has been gutted and repaired and the brick work has been sandblasted and the building appears to have been totally reconstructed, would assume that that was renovation and that that came into account for the purpose of that particular exemption.

Well, if one reads very closely the Canada Steamship case and one analogizes between what was said there about the nature of repairs and improvements which can be made to a ship and the nature of the repairs and improvements that can be made to a house, the analogy is pretty clear. There is very little under the interpretation that was put by the Exchequer Court on that distinction; there's very little that would come within the framework of the kind of renovation which, for capital purposes, a developer or a person who renovates a building throughout the Province of Ontario, would have the

benefit of for the purposes of that section, Mr. Speaker.

I raise that particularly with the 20 per cent test which the minister has introduced. Let me talk a little bit about the 40 per cent. The more we talk about the bills which emanated from the budget, the more it is perfectly clear that my colleague, the member for York South (Mr. MacDonald), was sort of "right on" when he spoke in the budget debate. They illustrate very clearly what he said at the time. I refer to my colleague's remarks in the budget debate where he said that the "basic premise on which this budget was built is one of an acceptance of inflation."

He went on to say the "government is living off the profits of inflation; it even speaks of sharing those profits with the municipalities." He went on in the course of his remarks to make our criticism of the government on this particular point in item 7 of our sub-amendment. He said the government was substituting largely ineffective land taxes for real action in acquiring and servicing development land and bringing down the price of lots.

That was one of the key points in the sub-amendment which was moved by my colleague from York South with respect to our regret about the budget of the Province of Ontario. He went on further in his remarks to say:

> In short the overall effect of these taxes [he was referring to this tax and the land transfer tax] will be to consolidate the speculative profits of the past into land and housing prices, while giving no assurance that the speculative profits of the future will be checked. It has officially embedded those speculative profits into today's prices and given no real assurance that they will not continue into the future.

I use that for the purpose of referring to this question of how the government arrived at the question that the building must be 40 per cent of the value of the land. What it has done is what my colleague has said—it has simply embedded the inflationary costs of land by creating such a low percentage for the value of the building.

I will refer to a very short article—but it contains an immense amount—by James Purdie which appeared in the Globe and Mail on April 17 of this year, following the budget, when there was some effort to assess what was happening.

> The cost of building a house has increased at a rate far slower than general inflation. But the cost of buying it appears to have increased at more than double the inflation rate because it sells attached to a piece of land valued at $28,000 empty.

I think the point is perfectly clear. What you have said is that land itself has escalated to such a value that the value of the building on the land is now far less than it used to be some time ago—at least as reflected in most past assessments of land and buildings in Ontario for housing accommodation.

It wasn't very often that one ran across a great disparity between the land and the building values, so that land was valued higher than the building for assessment purposes. It was not. In my recollection, in most cases not so very long ago in residential accommodation in the cities and towns of the province, it was the building which was valued at more than the land.

The government has reversed that and it has permitted this escalated price of land to go into the very framework on which it is allowing persons to escape the tax which it has imposed for the purpose of lowering the cost of housing. It is maintaining the high price of land. It is permitting the exemption to be attained if the building constructed on it is only 40 per cent of the overall value of the land and the building. I'm simply saying that in that particular case it is not an adequate percentage, and I'd like to know how the minister arrived at it.

I know that at some point in time in giving consideration to a figure one has to be in a sense arbitrary about the figure. But one doesn't have to be arbitrary about the reasons that led one to the conclusion that this particular figure, while arbitrary in the sense that any fixed figure is, must of necessity reflect some reasoned judgement as to why it was chosen and why that was the level beyond which a person would be able to avoid the tax and build a building on land or renovate a building existing on land where the value of the building to the overall cost of the land and the building was only 40 per cent.

I think that needs some explanation, so far as we here are concerned about the bill. Mr. Speaker, the clue to what happened in the budget, the clue to the inadequacy of these taxing statutes, is related not to budgetary matters but is related—and so many times the government signals what it is going to do—specifically and directly to housing. That's where the government has failed, and this bill and the policy of the government is, in our judgement, an admission of the failure of the government in its housing policies.

Now, why do I say that? Because the Minister of Housing when he was appointed—whenever it was, March 3 or not very long ago, about two months ago—announced as a policy, though why it should be dignified by being called a policy I don't know, the determination of the government to provide more serviced lots. Anybody could understand that we can't have residential accommodation of any kind in the Province of Ontario without serviced lots. Everybody knew that there was a shortage of serviced lots and the minister didn't have to enunciate as a policy of the government that it is going to do what it can to provide more serviced lots. That's not a policy, that's a dictate of common sense. That's not something which requires any genius to state as a policy.

But that wasn't; the real policy of the new minister was to hide the fact that the housing policies of the government were devoid of reason, were weak and had failed to accomplish what they were intended to accomplish through the Ontario Housing Corp. and through the ministers who were responsible for the Ontario Housing Corp., including the hon. member for St. Andrew-St. Patrick.

Hon. A. Grossman (Provincial Secretary for Resources Development): Best housing programme in North America.

Mr. Renwick: That housing programme has been, and is, a total and complete failure—

Hon. Mr. Grossman: Best housing programme in North America.

Mr. Renwick: —a total and complete failure. The final decision of the government to establish a Ministry of Housing—they didn't even have any sense about who to put in the Ministry of Housing so they appointed the Provincial Secretary for Social Development and one of the many hats which he has worn for brief periods of time is as Minister of Housing. Everyone knew that he was marking time while he was in that ministry. The only thing which he—

Mr. J. E. Stokes (Thunder Bay): He can't afford to mark time in Resources.

Mr. Renwick: No, I am speaking now, strangely enough, of the Attorney General (Mr. Welch)—

Hon. Mr. Meen: Pay more attention.

Mr. Renwick: —who was also in charge of housing. There has been a retinue of ministers in charge of housing but none of them has been able to produce the number of serviced lots required to meet the demand in the Province of Ontario. So what they have done now is to introduce, by a blunt instrument of taxation, a bill so extravagantly conceived, so ill conceived, that it is designed to blind people to the fundamental disaster of the government's housing policies.

Hon. Mr. Grossman: You can't win.

Mr. Renwick: It's been just as simple as that. The only thing that the now Attorney General did when he was Minister of Housing, apart from pilot the Ministry of Housing bill through the House—which of course didn't take very long because there was practically nothing in the Ministry of Housing bill in the first place—was to signal a short time ago, on Jan. 29 of this year, the statement made by the Minister of Housing in this House Friday morning of last week, and that is, that the government was going to take the lid off the overall costs of the construction of housing under the proposals requested by the Ontario Housing Corp.

It took almost exactly—to February, to March, to April—almost three months to the day from the date on which the then minister, now the Attorney General, said: "Builders Not Backing Programmes for Low-Income Housing"—and he wrapped the knuckles of the builders for not doing their proper job. We had this statement of the minister, and, of course, the leader of this party made the accurate prophecy, and one need not be a prophet to make that kind of statement, that the HOME prices are sure to rise as the result of the statement made by the present Minister of Housing.

Mr. Speaker, if there is a catalogue of the defeat of the government programmes that could be compiled, it would surely, if communicated to the people of the Province of Ontario, destroy this government. There is not a single programme in any field of the government of the Province of Ontario supposed to help people in the low-income brackets—and low-income brackets today embrace low-income brackets traditionally and also a substantial number of those who a very short time ago thought themselves to be in the middle range of income. We get it day after day.

The Parcost programme was to help to reduce the price of drugs to people who needed drugs and who couldn't afford to pay the exorbitant prices because of the prices which the manufacturers were charging them. And the Parcost programme is a disaster.

Even on something as simple as the cost of dentures, we find that the low-cost denture programme is a failure, and we find that the government is hiding the disaster of its housing programme under two things—the budget, and something called "the bad guys"; the speculators.

You know, it is the same small band of revolutionaries and they are identical – you can call them revolutionaries, you can call them speculators, you can call them Marxists. It's the same group, I would like you to know that, Mr. Speaker. They travel all over the world, they just have different aliases. The group which has speculated in land are the same people who were in the headline of the Globe and Mail on Saturday morning. They were the Marxists, the small group of Marxists that were keeping the postal officers from going back to work.

Does the minister in charge of housing remember Andre Ouellet? The postal strike in Canada was due to that same small band; they had moved down to Montreal by that time. They were the small band of insurgents in the Montreal post office. There was a postal strike, and we had to settle the postal strike. And it was settled, and the headline, of course, in the Globe and Mail this morning was that the post office workers rejected the small band of Marxists.

Well, of course, there never was a small band of Marxists. There was a real crying need amongst the postal workers in order to achieve something called "equity" in the kind of living conditions and working conditions to which they were being subjected, and some kind of security. And the analogy is not far-fetched. There is the same crying need in the field of housing, and the government can't cloak it over by talking about speculators.

The Minister of Housing forecast what was going to happen in this budget. My colleague, the member for Lakeshore (Mr. Lawlor) is a friend of the Treasurer, but there was no budget leak. He leaned over to me during the course of the time when the Minister of Housing was castigating the speculator. You remember, Mr. Speaker, he was wrapping them on the knuckles for being such bad boys? My colleague the member for Lakeshore said: "I'll bet you $5 there is going to be a land speculation tax in the budget." It was nothing to do with whether or not the government was going to meet the housing need, but a convenient method to hide the fact that its housing policies are, so far as we in this party are concerned, a total and abject failure. The government is going to have to redo them, and it can't achieve its needs with respect to housing through the methods of this kind of a blunt instrument.

I want to come to that, Mr. Speaker. I am no good at assessing all of the massive number of statistics of numbers of units of housing which have been built over a period of six months, one year, 10 years, 20 years or 30 years, or in assessing the escalating prices of land and attributing to them the causes which may have caused them. I will make these two general statements and stand to be refuted by figures, if it is possible for anyone to do it. Over the period of the real estate market escalation in the price of housing in the city of Toronto and in Metropolitan Toronto, there have been fewer and fewer buyers. The buyers have gone down and the price of housing has gone up.

I think there is a lesson to be learned. It isn't that there are a lot of people who want to be in that market to buy housing; they were already squeezed out. As the number of buyers went down over the last period of months, the price went up at these extravagant prices. You get the funny thing which the Tory government is always able to do. It always seems to be able to attract those with serious special interests to support what they are doing. The latest example is the Toronto Real Estate Board figures. They indicated that the prices had levelled off, that the demand had levelled off and that it was due to a number of things, one of which was the government's tax proposals.

The fact of the matter is that they were saying that the number of people in the market for housing had gone down since the budget or in the last little while. They didn't say it was only the government. They also gave credit to that other special interest group, the banks, which raised the rate from 8.25 per cent, which was the bank rate, to 10.5. Never in Canada has there been that spread between the bank rate and the prime lending rate of the chartered banks. Never has a banking system taken advantage of the so-called monetary system to make that spread into the prime rate.

Then you say what about mortgage rates? The mortgage rates being quoted now have gone crazy. The minister probably saw it. Most of the companies now advertising loans for mortgage purposes on television, and as I understand it advertising in the press, have eliminated the rate, let alone any indication as to whether funds would be available if anyone could possibly afford to buy a house at a mortgage rate which is going to be at something like 11.5 per cent. That is about

what it is at the present time if my memory serves me rightly. Perhaps it is something of a slight digression but the things are all totally related.

The government has said—and the Toronto Real Estate Board has indicated that that is fine – it is going to be able to stabilize housing prices, or in the beautiful language that the government likes to use, decrease the rate of escalation or de-escalate the rate of escalation. I think, that is what the then Minister of Housing used at some particular point in time. No one will ever know what the rate of escalation would have been without these particular Acts.

The government always moves from the question of stabilizing prices of land and housing into that cute phrase. It is like a two-step. The government states the principle, stabilize the price of housing, and stabilize the price of land. Then in the second step it breaks it down into two parts. One is that they are not really going to stabilize it; they are going to prevent the rapid escalation of it.

Now that is not stabilizing. Then they say, "If we don't prevent the rapid escalation of it, we want our share of the pie, 50 per cent, and we are going to spread it and spread it with the municipalities so everybody is going to be happy." They think they are going to get something.

If the minister doesn't believe that that is what it is about, I simply quote what the Treasurer said in his budget speech. He said, "Mr. Speaker, I should now like to describe three important new measures to restrain inflation." The only one that is really going to restrain inflation is the limitation on transit fares, not the other two. "They are designed," he said, "to stabilize land prices . . ." That is what this bill is about. The other one encouraged Canadian ownership of Ontario real estate. That was the bill debated last week. "They are designed to stabilize land prices." Then, of course, one turns the page and reads:

> Therefore, Mr. Speaker, I am proposing a new tax to discourage this speculative activity. This tax has two objectives: to reduce the escalation of land and housing prices—

The word "stabilize" disappears; we never hear it any more. We will never know, using this particular objective as the criterion by which we make a judgement, whether or not the government has been successful. Nobody will know whether we have reduced the escalation or de-escalated the escalation.

Then it goes on to say: "—and to recover for the public a major share of windfall gains from land speculation." Well, I've never seen two objectives so diametrically opposed as to vitiate the attempt by the government to indicate that they can bring about the kind of policy that they want.

Mr. D. C. MacDonald (York South): They are spoofing themselves as well as the world; that's the funny part of it.

Mr. Renwick: Again I refer to this – I think I will have a photostatic copy made; as a matter of fact, I might very well have it blown up and framed for the minister, because it's a very short article and I think he should read it. Mr. Purdie, in the same article on April 17 in the Globe and Mail Report on Business, said:

> The combined efforts of provincial and federal governments to ease cost pressures in the housing field are expected to have little long-term effect on the high price of housing without some corresponding programme of self-discipline and restraint by the industry and those provincial and municipal authorities that affect prices through controls, taxes and, in some cases, questionable special levies.
>
> The Ontario speculation tax will remove only about 1,000 buyers from competing for the 15,000 to 20,000 housing units sold in Metropolitan Toronto each year.
>
> The move is welcomed by everyone legitimately involved in the industry and recognized as an immediately successful measure, but its overall effect will be to moderate the rate of price increases rather than stabilize or reverse them.

Then it goes on and gives the lie to suddenly finding the small group of speculators who have been taking the Ontario people to task, in a monetary sense, in the housing market.

> If speculators were the most visible cause of the sudden price surge that drove the average price of a house in Metropolitan Toronto up by $8,208 in one year to $40,728—

And by the way, I think the last figure, where we have "stabilized" it, in the language of the Toronto Real Estate Board, was $50,435—and my colleague has just pointed out that that has already gone to $54,000. It was reported in Saturday's Star.

Mr. MacDonald: In the month of April—eight per cent in one month.

Mr. Renwick: Yes, this is dealing with the end of March. By the end of April it had stabilized to such a peak that it was $54,000.

I just want to complete this particular paragraph:

> If speculators were the most visible cause of the sudden price surge [and I know that Hansard will forgive me for repeating myself] that drove the average price of a house in Metropolitan Toronto up by $8,208 in one year to $40,728, it was because they moved into a situation that was already fattened for manipulation and profit-taking.
>
> The fattening, it has now become clear, was a product of the control and distribution system—and the main cause was the price pressure exerted on available urban building land. Increasingly complex controls prevented its quick and orderly servicing and development.

Well, it goes on to explain a number of other very valuable matters. Maybe I'll send two framed copies of it and the minister can give one to his colleague, the Minister of Housing, so he will have it in front of him.

For this minister's purpose, it will indicate to him the validity of the arguments we are putting to him that when he finds that this tax is not only unwise and unworkable, but that it will do nothing with respect to the basic policy of the government. And for the purpose of his friend, the Minister of Housing, perhaps in some way it will help him understand the basic necessity of the kind of programme that has been put forward by the Ontario New Democratic Party with respect to the broad range of actions which must be taken by government in order to do something to begin to meet the housing need which is so crying in the province.

Mr. Speaker, I want to go off on a somewhat similar but related tack. As far as I am aware the government of the Province of Ontario has never, until this bill and the minister's budget statement, imposed a tax for a purpose which was not related to the raising of revenue. I don't know of any tax the primary purpose of which is not to raise funds for government.

It may very well be true that there are secondary purposes and other objectives which are sometimes accomplished by levying taxes. I can certainly say that while those persons who believe that drink is some kind of a national disaster—and thank God I am not one of them; it may on occasion be a personal disaster for all of us, excluding myself, of course, and my friend from Thunder Bay—there are people who will say the reason the government of the Province of Ontario levies the tax which we all pay at the liquor store with respect to liquor, is to raise money and to make us sinners pay for sinning. That's the kind of secondary objective some people use and it's the same rationale with respect to taxes on cigarettes.

I am using it simply because the purpose of that tax is to raise money and the purpose of the motor vehicle licence is to regulate automobiles and to raise money. There are all sorts of double-barrelled purposes which are involved but always in the Province of Ontario, no matter what the taxing statute is and no matter what the deductions and exemptions permitted are, its purpose is to raise money. We may use the money for expenditure programmes, to carry out the kind of government programmes it is believed the people of Ontario expect from their governments, be it in the field of education, in the field of social and family services, in the field of health services or any number of services. The government raises the money and then spends it on programmes it thinks are beneficial to the community.

This is the first tax on which it is saying it doesn't want to raise any money. Therefore it must be wanting to accomplish an objective and that objective is to stabilize the situation. I am going to say it quite bluntly; it isn't the de-escalation of the escalation and it isn't to have the government participate in some form of illegitimate profit-taking or windfall profit in the land speculation field. In all honesty, the purpose of the tax and the purpose of this bill is to stabilize the price of land and the price of housing. There is nothing in this bill or in the economics of the budget papers—and I looked very carefully.

It is very interesting that for half a dozen years, I would guess, from the former member for Huron when he was the Treasurer—about six years ago from that budget of his until now—there was a gradual, continuous explanation and development toward this question of the tax credit system evolving into a guaranteed annual or adequate income system for the Province of Ontario. It was a long-range objective and every year in the budget papers we got more explanatory information about how this was going about and how it was taking place.

As far as I know there is not a single supporting paper of any kind with respect to this particular land speculation tax or with respect to the land transfer tax. There is no supporting data of any kind available to any-

body on the basis of which the decision was made. Why? Because it was all made for the purpose of isolating and cloaking the failure of the government's housing policies under this idea that somehow or other, if we could just get rid of something called the bad guys, the speculators, in land and in housing we would accomplish quite a bit.

I hold no brief for them. I have been subjected to it in my riding of Riverdale where a house is bought for $10,000 or $15,000, new wiring is put in the house, perhaps new piping is put in the house, maybe the roof is repaired, some cosmetic work done, and it is sold in a very short period of time to a first and second mortgage for two to three to four times the price which was paid.

As I say, I don't hold any particular brief for that particular situation. But to suggest that somehow or other that that is the root cause that the minister is directing this bill for, seems to me to be a total misreading of the economics of land costs and of housing costs in the Province of Ontario. The minister is not going to achieve the desired result of stabilizing house prices or stabilizing land prices through the operation of this particular taxing statute. It is too blunt an instrument for that purpose.

We have almost moved in many areas beyond the idea that monetary policy, or monetary policy coupled with some kind of sophisticated tax system, can achieve basic social policies where the market system has shown itself to be incapable of dealing with it.

I know the current thinking, the current Conservative Party thinking—and indeed, the man who made the comment to me was a well-known Conservative. The current acceptable story is that: "Oh, yes, if we can just get all this land through these channels of getting the approvals and getting it out on to the market and getting it serviced, we, the private industry, and the private developers can produce the serviced lots which will eliminate the increase in the housing costs, and we can stabilize it."

I am simply saying that if the government persists in that policy—and this bill indicates that they think in some way they can—if they persist in that policy, the failure of the housing policies of this government will become more and more evident.

Well, one can ask: "What is the policy of the New Democratic Party?" Well, it has been spelled out many times in this House and will be again when the housing estimates are before us.

There is no question whatsoever that what we would engage in is the massive acquisition of land in the urban areas for the purpose of the government servicing those lands and providing the housing accommodation on a lease basis, so that while the buildings themselves may be available for sale in the marketplace, the land itself as serviced by government and controlled by government by long-term leases, would maintain a stability in the price of land and provide the supply of serviced lots which would go a long way to meet the demand which is required. And as I understand it from the budget statement, in the Province of Ontario it's about 100,000 new accommodation units required every year.

What else would we do? We would couple it with a control of the rental increases which are taking place in the province. This would be a control of the rental increases based upon the question of landlords being required—as we have stated ad infinitum—to justify publicly increases in rent so that we can assess the reasons for the rent increases. And if, in the judgement of those responsible for the administration of such policy, there shouldn't be that kind of rent increase, then there will not be any rent increase.

My colleague, the member for Wentworth (Mr. Deans), I think read into the House record the letter from the landlord whose justification for a very substantial rent increase to tenants who couldn't possibly afford it, was not to justify it in terms of his increased costs but to say it was the result of inflation. He said: "If you ask me why I have to raise rents, it's because of inflation." Well, that does not help in any way to maintain that stability of prices.

I am saying to the minister that the ownership of property, its development from a raw land state to a developed state, its sale on the market, its sale in the marketplace are inextricably intertwined with those people who hold land for investment purposes to derive rental income from it. You can't separate the two from the whole question of the extent and degree to which housing accommodation is going to cost so many dollars if you buy a house and rental accommodation is going to cost so much if you rent either a house or apartment accommodation. You cannot divorce for one moment apartment houses from singly owned residential houses nor from condominiums.

There are many people crowding into apartment houses at the present time who need and want to get into a different form

of residential accommodation for all sorts of reasons. But the pressure of the cost of the housing market, be it condominium, or God forbid the pitiful state in the province of co-operative housing or single family housing or duplex housing, is so great that they have no possibility, except a limited number of them, of moving out of an apartment setting. The result has been prophesied and it is probably inevitable. There is a very low vacancy rate in Metropolitan Toronto and there will be in other major areas of the province if there is not already.

Another aspect of it, a study which was in the paper just a few days ago, indicated very clearly that in the next few years we are moving back into the doubling up of families or related families in houses—

Mr. Speaker: Order please. I believe the hon. member is digressing quite widely from the principle of this particular bill in discussing the—

Interjections by hon. members.

Mr. Renwick: It is quite all right, Mr. Speaker. I actually have gone on longer than I thought I would get away with before your interjection.

Mr. Speaker: I am a patient man.

Hon. Mr. Grossman: You were just convincing yourself of your own arguments.

Mr. Renwick: I just don't want to admit for one single moment that the principle of this bill is to stabilize the price of housing and land in the Province of Ontario. While I was delighted not to have to deliberately speak to the point, I now want to speak to it because there is no question that everything I have said and which other members of the party will say is related to the housing policies of this government. That is the purpose of the bill.

Mr. MacDonald: Who says so?

Mr. Renwick: It is very easy and very nice—I can hear the minister when he stands up and says: "The hon. member for Riverdale in the first 18 minutes of his remarks dealt with the bill and from then on his remarks were irrelevant to the bill." I have taken the words out of his mouth.

Hon. Mr. Meen: How about that.

Mr. Renwick: I have taken the words out of his mouth.

Hon. Mr. Grossman: He wouldn't say that. He is too nice.

Mr. Renwick: That is exactly it.

Hon. Mr. Meen: The member's perspicacity is astonishing.

Mr. Renwick: That is exactly it. If the minister thought for one single moment that this party was going to oppose this bill on the minutiae of the details of the definition, or the extent and scope of the exemptions, or on the lousy draftsmanship of the bill, or of the ill-conceived ideas that went into it, or of the fact that there are no economic papers produced in the Legislature and the budget papers to deal with it, then he has another thought coming. It is not there. It is not in this bill.

We are not debating this bill for that reason. We are debating this bill because somewhere along the line the Minister of Housing (Mr. Handleman), was told to find the bad boys, the speculators, to talk to them and let them know that we think they are bad boys—

Interjection by an hon. member.

Mr. Renwick: —and that if they don't behave themselves something is going to happen to them. And then the bill, as my colleague from Lakeshore said when the Minister of Housing castigated the speculators, the budget is going to provide that tax. The reason, Mr. Speaker, that the comments which I have made are right on is that this bill is designed to cloak the failure of the housing programmes of the provincial government of Ontario. And those programmes are a disaster.

Hon. Mr. Grossman: Best programme in North America, maybe in the world.

Mr. Renwick: They are a disaster for the persons who have had to live in the ghetto accommodation which has been provided by the government. They are a disaster with respect to the speculation which has taken place and the accommodation which has been provided by Ontario Housing under the HOME programme. They are a disaster in the number of units which have been produced for the purpose of meeting the needs. They are a disaster no matter what statistics are used in every urban centre in the Province of Ontario because the government hasn't serviced the land, and it hasn't got the accommodation, and it doesn't have the programmes by which it will be met in the months and years to come on the scale which is required.

There are some other things which could be said on the bill. I think perhaps they can

be dealt with in committee. But there is one that can't be dealt with in committee—that is, the Treasurer's table on page 6 of the budget. Where he sets out what will happen with respect to those persons who deal in land either as a business or as an investment; that is, whether or not they are going to have to pay income tax or whether they are going to have to pay capital gains tax. The present tax on a person who is engaged in the business related to land which the minister is dealing with, of a private corporation is 61 per cent, of a public corporation is 74 per cent, and on individuals is 61 per cent.

Now, even in conservative terms, tax rates at that level should accomplish the purpose that the minister wants to accomplish. And I would like to know the explanation of the Minister of Revenue. He believes that by raising a private corporation's tax rate from 61 per cent to 81 per cent, and by raising a public corporation's tax rate from 74 per cent to 87 per cent, and by raising an individual's tax rate from 61 per cent to 81 per cent, that this will affect the extent and nature of the escalation of land and housing costs in Ontario. Those rates are extremely high as they are now. A few other percentage points isn't going to make that much difference. If it's a capital gains tax it's to go from 31 per cent to 65 per cent, in the case of a private corporation. A public corporation will go from 60 to 80 per cent. Individuals will go from 31 per cent to 65 per cent.

Those rates are very high, initially, and they haven't accomplished any purpose. I am simply saying what I said before—this is a very blunt instrument, designed not to raise revenue, on the very language of the Treasurer. And it's because it's not a revenue-producing tax that he is prepared to share the proceeds of it with the municipalities. With any real revenue-producing tax, he'd never dream of saying we'll give you 50 per cent of it. Only with this particular tax, where he doesn't expect to raise any money, is he going to share 50-50 with the municipalities.

I have the statements prepared by the research director in our caucus office. I am sure the government will be pleased to know that we are losing Marion Bryden, the director of research. Over the years, I think they have felt that the main thrust and validity of the statements which we have made was because they knew she had a hand in them. I'd like to say, however, that she will be available to us from time to time on a consulting basis and our figures in the future will be just as accurate, and the understanding of it will be just as certain as when she was with us.

Marion Bryden has sent me a memorandum setting out the assumptions on which the government table is based and giving all of the examples. This, of course, raises the same question that my colleagues in the Liberal Party raised a little while ago—that the table is based on the proposition that this tax is deductible for federal tax purposes, that there has been no affirmative statement by the minister's counterpart in Ottawa that it will be deductible, that there may have been a statement in private but it certainly hasn't been relayed to the public by this minister, and in the course of his remarks I would hope that we would learn whether or not it will be deductible.

I think it is a significant point for those who are concerned about it. Let me quote just the one paragraph from Marion Bryden's memorandum:

> If the tax is not deductible, the effective tax rates on persons and corporations not in the business of land dealing could go up from 65.3 per cent to 80.7 per cent for individuals and private corporations, and from 80.1 per cent to 110.2 per cent for public corporations.

However, she went on to say that all the figures used in the table are premised upon what might be called an unrealistic view of the real world – that the assumptions on which they are based are such that they do not correspond to any known situation which might exist in the business world.

I heard what the House leader had to say. The fact of the matter is that this memorandum might well have been, with the consent of the minister, attached to the budget papers, so that the table in its bare statement might have had the support of some examples, as the government is so prone to use when it's really being direct about what it believes it can accomplish. But, no, even this kind of minor calculation using a basis of $10,000 was not used to provide any information to the public about how it works. I simply ask, will the tax be deductible or will it not?

But my major point, Mr. Speaker, has been very simple. This tax; the government's purpose in introducing it; the policies which lay behind it, if I can dignify what little thoughtful rumination may have gone into the introduction of this tax, illustrate totally to this party the bankruptcy of the housing and rental policies of the government of the Province of Ontario, and is the principal amongst many reasons which I tried to out-

line at some length, why we will oppose this bill on second reading.

Thank you, Mr. Speaker.

Mr. Speaker: Perhaps we could have a motion to adjourn this debate.

Mr. Paterson moves the adjournment of the debate.

Motion agreed to.

PRIVATE MEMBERS' HOUR
NOTICE OF MOTION No. 2

Clerk of the House: Notice of motion No. 2, by Mr. Ewen.

RESOLUTION: That the government place before this House appropriate legislation to provide that all vehicular traffic must come to a full stop when encountering school buses with signals flashing on any roads where the posted speed limit exceeds 30 miles per hour and that a comprehensive safety information programme be undertaken to acquaint motorists, bus drivers, children, teachers and parents with all aspects of the rules.

Mr. Speaker: The member for Wentworth North moves resolution No. 2 standing in his name on the order paper.

Mr. D. W. Ewen (Wentworth North): Mr. Speaker, I want to address the House this afternoon on a matter that affects all citizens of Ontario. This issue concerns the public safety of school children, our most precious resource, in their movement to and from school.

Although the number of accidents in the Province of Ontario involving school buses over the past few years have, thankfully, been relatively rare, they have involved injury and loss of children's lives and brought tragedy to the lives of parents and families.

As far as I am concerned, we cannot be satisfied with the present situation, with the loss of life, because it is those children who will forge the future development of Ontario. I think we owe an increasing gratitude and appreciation to all those people who help in getting our children safely to and from school. More than this, we have an obligation to assist them in ensuring the continued safety of our children. We must design rules that will make their jobs easier.

I think we must be forward looking and anticipate future needs and techniques for preventing unnecessary death or injury to our children. That is why I am presenting to the members, for their consideration, this resolution, namely that all vehicles must come to a full stop when approaching school buses with signals flashing, on any roads where the posted speed limit exceeds 30 miles per hour.

Why do I feel such a resolution is urgent and necessary? Because there has been entirely too much confusion surrounding the present legislation.

Under section 120 of the Highway Traffic Act, any motorist must come to a full stop where a school bus is stopped on a highway on which the maximum speed is greater than 35 miles per hour to receive or discharge school children. Under this section, the bus driver must activate his signal flashers for both oncoming and rear traffic. He continues to operate these red flashing lights until the children have crossed the highway. The motorist cannot proceed until the school bus moves forward or the signal lights are no longer flashing.

It would appear that section 120 is clear in its intent and that no problems of interpretation exist. However, such is not the case. The section causes confusion for at least three reasons: 1. A variety of speed limits is in effect; 2. definitions of median strip or divided highway requires greater classification; 3. Metropolitan Toronto and Ottawa-Carleton have passed bylaws under subsection (4) of section 120 eliminating the whole section.

There are no provisions under section 120 to protect school children in built-up areas where a municipality lowers its speed limit in a built-up area below 40 miles per hour. There is no provision in the Act to have motorists come to a full stop. Children run the risk of a possible accident. The Act is simply silent on this matter.

What do we do to protect children in construction zones? In many cases, speed limits in construction zones vary according to the extent or scope of the construction being undertaken. Temporary speed limits may range down to 15 or 20 miles per hour. Surely in this situation, common sense would dictate the driver's behaviour and sense of responsibility. Yet experience tells us never to rely on anybody's common sense. The confusion remains, the Act is silent.

What we need is clear and precise language and uniform principles to minimize the potential traffic hazards. We cannot afford to gamble with children's lives.

If the Act clearly states that a motorist must stop on highways where the speed limit is over 35 miles per hour, there is no problem for many parts of Ontario. But

what concerns me is that the 35-mile-per-hour speed limit is rather an odd figure that does not really conform with speed limits in urban and built up areas.

Upon entering a municipality, the speed limit is generally set at 30 miles per hour. That is why I advocate a change in the speed limit to 30 miles per hour or a reduced speed in construction zones within urban areas. Motorists do not have to obey section 120 of the Act. What governs them is common sense and the municipality sets the limit. Motorists do not have to come to a full stop because the Act does not require it.

What causes even greater confusion is the definition of median strip. By definition, median strip means a strip of pavement more than 10 feet wide, a physical barrier such as a guardrail or an unpaved strip of ground, presumably of any width.

Near Waterdown in my riding, we have what the Ontario Provincial Police call a raised singing median designed to warn motorists who come too close to the coming traffic because the tires of the vehicles sing out when the car moves over this section of pavement. Now the problems with this particular stretch of road create an unbelievable situation involving school buses. Many drivers think they are on a divided highway. The police are charging approaching motorists who pass school buses in this section because the judges do not agree as to whether a raised singing median constitutes a divided highway. Some motorists are being convicted, some acquitted, for the same act.

Now I realize that this situation is not unique in Wentworth North. I am sure similar cases must exist in many parts of Ontario. We must have a clear interpretation of what is meant by median strip and do away with the resulting confusion of different interpretations.

Earlier this year, I had the good fortune to participate in the home and school-sponsored meeting at Central Public School in Flamborough. This was a meeting of concerned parents, school board officials, bus drivers, policemen and other representatives of the community, dealing with bus safety of school children. It was a lively and worthwhile experience, Mr. Speaker, because many good suggestions came forth that are worthy of consideration. These people wanted to see clear definitions of median strips and of a divided highway. One police constable proposed that where children were not crossing the street or highway only the rear lights of the school bus need be activated. Another representative pointed out that unnecessary traffic congestion could result within the limits of the community.

It was generally agreed that the idea of speed limits should be looked at very carefully. Either the speed limit should be reduced or the motorist should be required to stop under all circumstances. Most people also agreed that the law, whatever it is, should be uniform throughout Ontario. Certainly the grassroots are moving in that direction.

My colleague, the hon: member for Peel South (Mr. Kennedy), recently told me he has received a resolution from the Mississauga Traffic Safety Council requesting that the legislation be amended so that all traffic must stop regardless of posted speed limits, and that the bus drivers be required to activate the flashing signals whenever children are getting on or off buses.

Before I speak to that specific motion, I believe that whatever is the law finally agreed upon, Ontario should undertake and persuade other states and provinces to adopt similar legislation. Every year school children are going further and further away on field trips and month-long journeys to other provinces and states. To have legislation that was similar in all jurisdictions would make the task of bus drivers that much easier.

I would urge the Ontario government get this topic on the agenda at the next provincial transportation minister's conference. Though I advocate in my resolution that traffic must come to a full stop in areas where the speed limit exceeds 30 miles per hour, and though I realize that making all traffic stop, under any circumstances, may create traffic problems, I would not be adverse to even what the hon. member for Essex South, Mr. Eaton, said:—

Mr. R. G. Eaton (Middlesex South): Middlesex South.

Mr. Ewen: Is it Middlesex South? I apologize.

If any hon. member wanted to make the resolution to this amendment read that the motorist must stop upon meeting a school bus with signals flashing, I would not oppose it. Whatever the outcome, I feel most strongly that the law regarding this matter must be uniform throughout Ontario and that the confusion surrounding the present legislation be eliminated.

The intent and principle of the legislation must be clearly understood by everyone. What is even more significant than uniformity of application is the method of ensuring

that our citizens understand and know what is involved. I strongly urge that a comprehensive and well co-ordinated safety programme must be undertaken. When every citizen is fully aware of his obligations it will help to reduce potential traffic hazards even more. Everybody will be working with the same set of rules and our children will be the beneficiaries. Thank you, Mr. Speaker.

Mr. Speaker: The hon. member for Huron.

Mr. J. Riddell (Huron): Mr. Speaker, during the last session I introduced a bill which, if passed, would have provided more adequate legislation to safeguard Ontario students who travel, through no choice of their own, to and from school by school bus. This bill addressed itself to the two major areas where safety demanded legislative action, the school bus operator and the school bus itself. As providence would have it, the day after the bill received second reading, two school buses were involved in accidents and later that same week a further school bus accident was reported.

Questions arising from these accidents and many more that have occurred since made it inevitable that school boards re-examine some safety aspects in its whole school system. Also the Ontario government should revamp existing legislation and provide much more adequate legislation to fill the void that is so evident in the Highway Traffic Act pertaining to school bus safety.

I am pleased that a member on the government side of the House is taking some action, even though his resolution of the entire problem is far from being complete. I am hoping he may have more persuasive powers than we in the opposition appear to have to alert the Minister of Transportation and Communications (Mr. Rhodes) to the fact that all is not well in the transportation of our school children.

The law requiring vehicles to stop when the school bus is taking on or discharging school children originally applied to highways outside a city, town or village. Urban growth created problems for the motorist in identifying municipal boundaries for the purpose of the law, and for that reason the Highway Traffic Act was amended to require stopping of all traffic in speed zones over 35 miles per hour when the lights of the school bus were flashing. The principle behind the rule is that the flashing lights on school buses do not provide absolute protection to the child, but should be used as an aid to crossing the road safely. In other words, although the child is under the protection of the flashing light, every precaution should be taken to ensure a safe crossing.

It is on this principle that the stopping rules do not apply in zones of 35 miles per hour and under since there are other aids available to make a safe crossing, such as stop signs at intersections, signalized intersections, crosswalks, and so on. Also, urban municipalities, especially the large urban centres, have serious concern for the possible obstruction and delay in traffic flow that would result from the application of the stopping rule.

I am somewhat in agreement with the member for Wentworth North that the speed zone to be considered for this particular piece of legislation be 30 miles per hour to make it consistent with the speed limit that is posted in most towns. I would go further and recommend that bus drivers be required to activate their flashing light when unloading or loading passengers regardless of the speed zone.

I feel, Mr. Speaker, that there is a great deal of confusion related to vehicular driver responsibility when approaching a stopped school bus. The driver at the present time knows he must stop when the bus is loading or unloading passengers in the rural areas, but he is not sure what procedure he must follow when he approaches a stopped bus in the urban areas. This confusion undoubtedly leads to accidents. It could be avoided by making it mandatory that all vehicles must stop when approaching a stopped school bus with its lights flashing, regardless of the speed zone.

To say that such a ruling within a 35 mile zone might constitute a possible obstruction and delay in traffic flow is unacceptable as far as I am concerned. While I do not agree that this is a very great possibility since school buses do not necessarily operate during rush hours, or on the most heavily travelled roads, particularly in urban centres, I feel in any event that to utilize this argument against the requirement of flashing lights on school buses in 35 miles-per-hour speed zones and under is putting cars before kids.

Mr. Speaker, you are no doubt aware that a committee on the cost of education was set up in 1971 to examine all costs relating to education in Ontario.

Reference was made in the interim report to the fact that more than half of the school board's questionnaires stated that the requirements related to flashing lights and stopped school buses were not well known to the public, and that the growth of semi-urban

areas with varying speed limits added to the confusion. I would be inclined to agree that a safety information programme of some kind be undertaken to acquaint motorists, bus drivers, children, teachers and parents with all aspects of the rules.

I would suggest that road signs be posted similar to that used to warn drivers of crosswalks. Such road signs should read that traffic must stop when approaching school buses with their lights flashing.

I also feel that both parents and teachers should bear some responsibility in training children to wait at the curb, after alighting from a bus, until the bus moves on; as happens in urban centres with municipal transportation.

There are perhaps other ways in which students and drivers and everybody involved could be alerted, particularly the general public, as to the proper procedure to follow. I think there should be, in large bold print on buses, the fact that all vehicles must stop when the lights are flashing. And ample warning should be given by the bus driver when he is going to stop a bus so that vehicles can stop when they are approaching that particular bus.

I could say more about this business of bus safety, but time is a limiting factor. I will be speaking on a bill a little later in this session, when I will be dealing much more completely with this whole business of school bus safety.

Thank you, Mr. Speaker.

Mr. Speaker: The hon. member for Yorkview.

Mr. F. Young (Yorkview): Mr. Speaker, in supporting this bill, as I intend to do, I would pass the observation that it is incomplete. I have already discussed this with the hon. member who has the resolution in his name. I feel it does not go far enough; and he also seemed to be just a bit inclined to extend it. If he had had second thoughts, he would perhaps bring in a different resolution at the present time than he brought in originally. That is the kind of thing that I would like to emphasize; that the bill itself, while good, does not go far enough in my opinion.

In other words, it seems to me that what has been said here by two speakers now, or hinted at in some measure, is valid; that we ought to think in terms not so much of 35- or 30-mile-an-hour speed limits posted, but in terms of the safety of the child and in terms of saying in our legislation in some way that whenever those lights are flashing the traffic must stop.

Now this, of course, would leave it up to the judgement of the driver in some cases. I think that would have to involve driver training, adequate driver training, and perhaps something more I will mention in a moment. But I see no reason, if the bus is stopping at a school, say on the right hand side of the road, why those lights should flash and traffic should be held up. In other words if it is a low speed area – and some are as low as 15 miles per hour posted–then the traffic could very well move past the bus without any danger to the children concerned, because they are getting out of the door and going directly into the school on that side of the street or that side of the road.

If it involves crossing a road or crossing a street, then of course, the lights must flash, not only at the back but at the front of the bus. It seems to me that those lights should spell out in very clear letters that word "STOP" so that all traffic does so. And of course that does occur in many cases as far as the buses are concerned, but something more might be done here.

The bus routes are well known. Picking up is one problem, but certainly where the bus stops to discharge passengers these spots are well known and those spots are so used day after day, either at the time when children are discharged to go to school or picked up after school is out.

If necessary, I think we could well think in terms of municipal bylaws being passed saying that certain things must happen at those spots; but what those things should be would have to be determined by the particular circumstances at those locations. It may be that signs should be erected there which say that when a bus stops all traffic must stop at this line. However, those are things which have to be worked out in detail.

There is no reason why our school bus drivers should not have the kind of safety programme which would enable them to make the kind of judgements required as to when a flashing light should be turned on. This is not a complex thing. It's a simple matter, and any driver who is competent to drive a bus should be competent enough to know exactly when lights should be turned on at particular locations. As far as that is concerned, I think this could left to the judgement of the bus driver.

We could also have with this, a safety programme on TV which drives home the fact to all people that whenever flashing lights appear on school buses then traffic

must stop in the direction of those flashing lights. Sometimes the lights are only flashed at the rear of the bus, and sometimes both. In any case, the citizens must be informed that they must stop when the lights flash.

I don't know that much more needs to be said, Mr. Speaker, about this whole matter. We have had a lot of discussion in this House and committee about the structure of buses. I don't think that is involved, particularly, in this resolution. Certainly our standards have improved in recent years. The Canadian Standards Association has outlined certain standards for school buses, and those standards have been voluntarily adopted by the bus manufacturers, perhaps to stave off higher standards.

In any case, in 1971 they did start building the school buses to new standards. Of course that doesn't solve the problems of the old school buses which are still on the road and will be for many years to come—buses built without adequate rivets or without adequate fastening for the top of the chassis. They are jerry-built, as has been so often said by people in this field. They are still running and they will be running.

But with all that, I do want to record the fact that school bus fatalities have been the lowest of any mode of transportation, including air, so that does say something. We do get a lot of kids smashed up inside the vehicle; their teeth are knocked out on the rails behind the seats and accidents of various kinds do occur. But as far as fatality is concerned, the record in this field is extremely good. Yet, as one of the members has said, as long as one child is killed then certainly the standards should be tightened up.

Now, I understand we have a committee at work to upgrade the standards for school buses and that this committee will be bringing in a report before too long. I would hope that from the time this committee reports there will not be too great a lag until legislation is brought in and new standards established for new school buses on the road, and perhaps to upgrade the structure of buses which are on the road and which were built a long time ago.

Certainly there is no reason we can't have common legislation and common standards right across the country. As the hon. member has said, the ministers of transportation meet regularly and there is no reason, in this field as in so many others, why common standards cannot be discussed and arrived at right across the country. Thus no matter where a Canadian drives, he knows the rules and regulations in connection with school buses are the same universally, and that helps. Just the same as we are now getting universal traffic signs, there is no reason we can't get universal rules and regulations dealing with the safety of our children who have to ride buses.

Mr. Speaker, I think that completes what I have to say on this resolution. I hoped the resolution would have gone farther, but I think we have all had our say as far as that is concerned. We hope that not only the 30-mile limit will be encompassed in new legislation, but that legislation will also be introduced regarding lower speeds. Every child must be protected, and all traffic must stop wherever the driver feels in his or her judgement that the flasher lights should go on and traffic be directed to stop.

Mr. Speaker: The hon. member for Middlesex South.

Mr. Eaton: I am pleased to rise and speak to this resolution and to have the opportunity to second it and to bring it onto the floor. As I indicated to my colleague at the time I agreed to second the resolution, I did not fully agree with it, because like the former members I felt it was not going far enough. I felt the resolution should state that traffic should stop at any time for flashing lights, no matter what the speed limit might be, and that this could be worked out if drivers used some judgement.

There are certainly times when, as the previous speaker indicated, they do not need to use the flashing lights to stop traffic, such as when they are unloading in front of schools and going directly into the schools. But at other times I feel there should be no speed limit involved.

I think of instances in my own riding—of many villages that are on highways. Within a distance of maybe 100 yards you have two or three stops—one stop is in a 40-mile-an-hour zone, the next, perhaps the distance to the other side of this Legislature, is in a 30-mile-an-hour zone. The children get off that bus and have to cross the highway, yet the driver hasn't been able to use those flashing lights to stop the traffic, whereas he could if he had stopped 100 feet back up the road.

Believe you me though, the traffic on that highway is not slowing down from 40 to 30 in that 100 feet. I think the flashing lights are very appropriate, in many instances below the 30-mile speed limit, in many villages such as these on various highways throughout Ontario. Certainly within the city in some

instances it may not be appropriate, but I think if we leave this to the judgement of the drivers, as has been indicated, then it could be worked out that it wouldn't affect the traffic to any extent within the cities.

I would like to bring to the attention of the Legislature the support that is prevalent for this around the various areas. I posed a question on this in my riding and the response came back over 75 per cent in favour of stopping for the flashing lights at any time, not just when the speed limit is 30 or 35 miles an hour.

I would also like to put some emphasis on the education and the co-ordination of the safety programme that my colleague suggested in the resolution. I think that special emphasis has to be made at the end of August and early September to point out to people that students are coming back in. I think that during the summer period, when those school buses aren't on the road, people tend to become a little lax, and perhaps new drivers have come onto the roads in that period of time. Every effort should be made to draw to the attention of the public that these school buses are back on the road in September and that we should be stopping for the flashing lights.

This legislation, hopefully, will be brought in. I assure the member for Huron we do have more influence on the government side than he does, and we are doing everything we can to try and influence this decision.

Mr. Young: Let's see how much power members have then.

Mr. Eaton: I also feel there are many things that can be improved in our safety programmes. I think we can have more involvement in our schools through things like home and school clubs. They can help not only to carry the safety programme to the children who are in the schools, but by involving the public generally parents themselves become more safety-conscious.

I think right now of a particular instance in my own area where an accident happened within sight of the village limits, and shortly after a safety committee was formed. Some 200 residents have participated in that safety programme. They have brought about some changes in their village, and I think they can bring about many more. This can happen in many communities—but we have to be continuously conscious of this safety element in the programme.

I think numerous visits to our schools by municipal and provincial police would be beneficial. The Ontario Provincial Police do provide an excellent safety programme. All that is necessary is the request of a local school to have them come to that school and participate. I think if this is continued and emphasized, the OPP are only too pleased to take part in the programme.

I think there are countless ways of devising learning materials that will have an impact on both the adults and the children regarding these programmes, and I hope that we can devise ways of doing this so that we will work at the safety aspect of it once the legislation is changed.

I think the key to many of these changes is involvement by the people in the community. The people in my riding are certainly involved. They want cars to stop for flashing lights at any speed. I certainly support them in that and suggest that the government should bring this change about as quickly as possible.

Mr. Riddell: We'll see what persuasive power the hon. member has now—but he should enjoy it while he's got it because it is not going to last.

Mr. Speaker: The hon. member for Perth.

Mr. H. Edighoffer (Perth): I am pleased to be able to participate in debate on this resolution presented by the member for Wentworth North. I think it is a very timely resolution. However, I feel, as one of the previous members stated, that it was done in somewhat of a hurry, and possibly because of the recent amount of correspondence from a person by the name of Mr. Hugh Crothers. So I think some credit might go to Mr. Crothers for seeing that such a resolution was placed on the order paper.

Mr. Riddell: Right on.

Mr. Edighoffer: I think this resolution, although it is not comprehensive enough, is very important because it involves the safety of our young people. As I read the resolution it encompasses really two areas: The one is where a bus should use its flashing red lights, and the other is in regard to a safety information programme.

Just to deal very briefly with the safety information programme, I feel this should be extended no matter what happens to the other part of the resolution. As I understand it now, when legislation is passed and a safety programme is produced a definite routine is followed. I believe a press release is issued by the Ministry of Transportation and Communications, possibly Transportation

and Communications safety officers or consultants—whatever you call them—go into schools to make this programme known; also the OPP are notified, and they include such things in their safety programmes; and of course, the school boards are notified and they, in turn, advise the school bus operators.

To me, this still is not getting the message across as it should. This, of course, was pointed out by most members who have spoken, and particularly by the school bus safety expert who sits on my right, the member for Huron.

This, I think, reaches many of the people who are involved in riding the buses or who have children riding on buses, or those who are operating the buses. I know there is tremendous confusion at the moment in the minds of the people generally. In my own area I think of one example where we have a stretch of highway through a small municipality, approximately two miles in length, with a 35 mile-an-hour speed limit. I have noticed on many occasions that vehicles do stop behind, or practically beside the school bus, as it pulls off the road to some extent; they still stop whether the lights are flashing or not.

I also think of the tourists travelling around Ontario, naturally during the school season and not just in the summer time. Tourists must have difficulty with the legislation as it stands now because, when one looks at the Highway Traffic Act, it states that there must be some type of lettering on the rear of the vehicle, but nothing on the front.

Also, as the member who introduced the resolution stated, there is considerable confusion on four-lane highways or highways with a median strip. I think, again, this is one place where there is much confusion and it must be clarified in very short order.

I understand the ministry is considering putting signs on the highways which would read: "Motorists must stop for school buses when signals are flashing in both directions." This may be of some assistance, but it will take a lot of signs to be effective and the motorist will not know if this covers all highways or not. This will have, I think, some effect in allowing people to understand the law, but they still will not be aware of the limit if the government accepts the recommendation to reduce the 35 mile limit to the 30 mile limit.

As we are talking of safety and human life, I recall my experience on the snowmobile committee. The laws for snowmobile use on highways were very confusing and the committee felt that the present laws should be abolished and the House should pass an appropriate overall general piece of legislation to simplify it for individual travelling on the thoroughfare. This, of course, could have exemptions which could be easily identified for the motorist.

Really, in my own mind, I feel I would be most interested in considering one of the possibilities which the member intimated or alluded to, in his remarks. That is the possibility that legislation would be drafted which would allow bus drivers to activate their flashing red signals legally on any highway. There is a possibility, of course, that there could be an exemption and that this would not be necessary if there was a special bus-pickup lane in any municipality.

In looking over the Highway Traffic Act, I found that subsection 4 of section 120 is certainly one which makes it most confusing for many people particularly in the large builtup urban areas. By lowering the speed limit from 35 to 30 with this section in, I think we'd only find that more municipalities would apply for exemption from subsection 2 of section 120.

I think I would certainly be in favour of school buses being able to have their flashing lights activated on any roadway.

I talked earlier today to the local board of education in my area. They seem to be quite content with the recommendation made in the resolution. I know they have discussed this matter to some extent, as have many other groups, such as the Ontario Federation of Home and School Associations, and I think the Teachers Federation and so on down the line.

There is one suggestion I might make, Mr. Speaker. I know that in some states school buses are equipped with stop signs which can be lowered out of the left side of the bus, and which sort of resemble the gates that go down in front of a railway crossing. I think this is something which should be looked at, because this would certainly tell motorists what they're supposed to do, especially when there is so much confusion in their minds.

Mr. Speaker, I think those are the remarks I would have on this resolution. I'm certainly in favour of the one part, that an improved safety programme is much needed. I would say the reduction from the 35 mile speed limit to 30 would be of some assistance, but I would certainly look much more closely at the resolution and be much more sympathetic if it stated that all traffic should stop when the red flashing lights are ac-

tivated on school buses on any highway. Thank you very much.

Mr. R. Gisborn (Hamilton East): Mr. Speaker, one must support the principle and the feeling behind this resolution, because it deals with the safety of children on their way to and from school.

If one would remember the debate on the original section 120 of the Highway Traffic Act covering this subject, there were many pros and cons as to whether the Act as devised would suffice as to the purpose designed for it. If I remember correctly, there were many who thought having traffic stopped in both directions on highways where the speed limits went as high as 60 miles per hour at that time would create greater hazards to children, to the bus itself and to the people in the bus.

If I remember correctly, most members, even from the government side, and the minister introducing the section at that time, felt there was some possibility the Act as devised might cause more accidents than it might avoid. But from some of the research they had done they felt it was necessary to protect youngsters – at that time we were talking about youngsters in grades 5, 6, 7 and 8 – who, left on the side of the road, could not judge the speed of the traffic doing 60 miles an hour and would attempt to get across, or would be playing and get hit. It wasn't, as some felt, to protect students in the higher grades, the older students.

From the adoption of that section, we felt the trial period would be followed very closely and the researchers in the Department of Highways at that time—now it is the Ministry of Transportation and Communications – would be following pretty closely what was happening and making reports to the Legislature as to the need for a change in the Act to correct anything that had happened that wasn't adequately covered that Act.

What we have to remember is the human element involved in all kinds of accidents, industrial accidents and so on, and particularly traffic accidents. As the member for Wentworth North is aware, I believe we have now registered our third or fourth traffic fatalities in Hamilton this year; two of them I am aware of specifically because they happened in my own riding.

One involved a girl who was crushed under the wheels of a truck. She had ridden a bicycle for many years and just happened to buy a new 10-speed bicycle. I guess she got a little enthused, got going a little too fast after getting used to it, and scraped the truck and fell under the wheels.

The other case in my riding happened just last week and involved a woman who had crossed the street at the same corner for many years to go to a small variety shop across the street from where she lived. Her family have said in the last few days she often spoke of her fear of having to cross that corner to do some light shopping, but nevertheless, through natural habit, occupation of the mind or something or other, she stepped off the curb and into the path of a car coming on the inside lane. She was struck and, of course killed. So the human element is with us all the time.

In looking at this situation as it relates to school buses, as has been mentioned, the resolution only makes a slight change. It changes the term "35" to "30," which will make a difference, based on the arguments of the previous speakers. But if we are going to tighten up at all on this situation, then we have to do two things: provide runoffs on the road, and make it the responsibility of the bus driver to see that the children do not cross until the traffic is clear.

The driver must get himself out of the bus and be in charge of the situation and have the power to say to those youngsters: "You must, if you live on that side of the road, go now while I'm here before I move my bus." Because if we look through some of the records, children have been let out of the bus safely and the bus has pulled away and gone on its way. Then the children have attempted to cross and have been struck by an automobile travelling under the normal right of way of the highway.

So I think the human element comes into the picture strongly. There has to be some stronger responsibility on the driver to have the children under control. Further, the possibility of having pull-offs built into the highways so that the bus has to get off the road entirely could be considered.

With that I would support the principle and the thought behind the resolution because it is a safety measure and involves the lives of children.

Mr. Speaker: The member for Peel South.

Mr. R. D. Kennedy (Peel South): Mr. Speaker, since there are a few minutes left, I would like to speak for two or three minutes in support of the resolution and my colleague for Wentworth North who introduced it.

As he mentioned, the Mississauga traffic council did endorse this change. I think it's

been a subject of discussion and controversy perhaps at every safety traffic council meeting since the original legislation was introduced. I remember a previous Minister of Transport, Irwin Haskett, being on an open-line radio show. The whole thing came in for discussion, including the confusion and the difficulties. Perhaps the member for Yorkview recalls, was it during his tenure this was brought in? I see the member nods so my recollection is accurate there.

Anyway, from the traffic council in Mississauga, this went forward to the full council. They endorsed it and sent it along to me urging that the minister be invited to take into account their suggestion and to make appropriate legislation to change it much in accordance with the resolution.

Also, I think all members received a letter from a Mr. Crothers, Crothers Machinery I think is the firm name. Obviously he has a very genuine concern for the safety of our students or he wouldn't have gone to the trouble and effort he did to bring this to the members' attention. I don't know Mr. Crothers, but I know I've spoken with the member for Wentworth North who mentioned his concern, so I think he would perhaps receive the minutes or contents of this debate with some gratification. I just hope it does lead to change.

There are two or three things we need to take into account though. It's the real risk, not only with school bus flashing lights, but crosswalks and other things, which may foster in our children a false sense of security. There is always a danger as soon as you step outside your door. It's just an ongoing process of providing the best protection we can for our children.

I think the member for Yorkview mentioned the matter of impeding traffic. Unnecessary impeding of traffic can backfire—I don't mean that as a pun—and create more problems than might be resolved.

The resolution mentions the stopping of traffic on any road. Some roads have a broad shoulder. Even if a bus isn't on the travelled portion and is pulled well off with lights flashing I think we're still going to have a sense of confusion among motorists if the reason isn't made very clear.

I am told there are occasions when a bus will stop for traffic lights which are controlling the ordinary traffic and will put on the flashing lights. As one of the other spokesmen said there needs to be some education of drivers. I think any legislation that might come forward now can only improve that which exists. There is a real need there. I would urge, along with this, that we don't add to the confusion, that we bring in a bill—and I would urge the minister to do this—that clarifies and makes the situation much less confused than it is, doing the very best job that can be done on it and recognizing that one can't guarantee 100 per cent the safety of all our children just through new legislation. There is certainly room for improvement, and, Mr. Speaker, I would urge the minister to do this.

Mr. Speaker: The hon. member for Windsor-Walkerville.

Mr. B. Newman (Windsor-Walkerville): Thank you, Mr. Speaker. I would like to make a few comments concerning the resolution. Let me first read the resolution in, so that in case someone has the opportunity to read any portion of the comments in the House they will at least know what we were talking about.

Mr. Eaton: It has been read.

Mr. B. Newman: The resolution of the member for Wentworth North was that the government place before the House appropriate legislation to provide that all vehicular traffic must come to a full stop when encountering school buses with signals flashing on any roads where the posted speed limits exceed 30 mph; and that a comprehensive safety information programme be undertaken to acquaint motorists, bus drivers, children, teachers and parents with all aspects of the rules.

Mr. Speaker, every speaker that has made comment so far today has agreed with the resolution. We have had now, including myself, eight different members in the House. I don't think any resolution presented in this House at any time has had so much interest and concern on the part of the members. Now that three government members have had the opportunity to speak, I would hope they would get the ear of the Minister of Transportation and Communications and show that there was this much concern in the House and this much agreement in the House that the minister could come or should come or would come and introduce legislation that would at least meet the problem in some significant fashion.

As it is today, Mr. Speaker, there is so much confusion a driver doesn't know whether he should be stopping behind the school bus or not. He doesn't know whether there is a 30 or 35 or 45-mile speed limit. The confusion is absolutely unbelievable.

It is not only confusion on the part of the bus driver as to whether he should be putting on his flashing lights or not, but there is also confusion of the driver who is following and there is confusion likewise of the student who is getting off the bus as to just exactly what one is to do. There is so much confusion I think clarification is necessary.

Rather than simply go as far as the member for Wentworth North goes, I think it would be better to take the recommendation of the member for Huron, who has spoken time and time again in this House on bus safety and who is very knowledgeable of the subject. He suggests that once the lights are flashing, regardless of the speed limit, then vehicles approaching from either side of the road must stop.

He doesn't say it must stop under all conditions, because if it happens to be a divided highway naturally one wouldn't expect the cars to be stopping on the opposite side of the highway. Under normal circumstances and where most of these buses are travelling down country roads – not only down country roads but down most country roads–his recommendation or suggestion is that once the flashing lights are on, regardless of the speed which is posted for traffic to travel, the vehicles from both directions must come to a stop.

If there were bays provided at select spots where the bus could pull right off to the side of the road then I think some of the problem could be resolved. Then possibly the bus driver may not have to put on flashing lights. But I agree with the suggestion of the member from Hamilton East that the bus driver has a responsibility for the safety of the students not only while he is driving that bus, but also when the students leave the bus. He has the responsibility to see that youngsters get safely across the highway and are not interfered with in any way, shape or form.

Mr. Speaker, one of the things concerning the buses that does lead to a false sense of security is that the buses are identified by colour, but that colour is not solely used by school buses. When buses have seen their better days and are no longer used for the transportation of children, quite often they are sold to construction companies or companies that use them for transporting workers. Often they don't bother repainting the bus –they still use it with all its attachments and so forth–and then you have problems like the one that did occur in the county of Essex.

A young student noticed a yellow bus coming along, and thinking it was the bus she was waiting for stepped out into the road. It happened to be a bus transporting workers to a site, the driver didn't see the student and didn't stop. The young lady was killed–a most unfortunate accident.

As a result, Mr. Speaker, I think this should be added to this resolution or considered when the minister brings in legislation. The colour of the bus should be restricted. It should be the one colour, the yellow that is used at present, but upon the sale of any type of school bus to anyone, that vehicle should not be allowed in operation until the colour has been changed. That would eliminate confusion arising from youngsters seeing a yellow bus and thinking it a school vehicle.

Spearheading the idea of a single colour for a bus is a fine lady, a fine, concerned citizen in Essex county, who is on the school board–Mrs. Rita Boretsky. The local councils have endorsed this resolution asking for a single colour for buses. They have suggested the ministry do that.

We hope the ministry not only acts on the resolution of the member for Wentworth North but also takes into consideration Mrs. Rita Boretsky's suggestion–that only the one colour be used on a school bus and on the transfer of ownership to some other concern that bus be repainted before it be put on the road. Thank you, Mr. Speaker.

Clerk of the House: The 8th order resuming the adjourned debate on Bill 25, An Act to Impose a Tax on Speculative Profits Resulting from the Disposition of Land.

It being 6 o'clock, p.m., the House took recess.

APPENDIX

ALPHABETICAL LIST OF MEMBERS OF THE LEGISLATIVE ASSEMBLY OF ONTARIO

(117 members)

Fourth Session of the Twenty-Ninth Parliament

Speaker: Hon. Allan Edward Reuter — Clerk of the House: Roderick Lewis, Q.C.

Member	Party	Constituency
Allan, James N.	PC	Haldimand-Norfolk
Apps, C. J. S.	PC	Kingston and the Islands
Auld, Hon. James A. C.	PC	Leeds
Bales, Dalton A.	PC	York Mills
Beckett, Dick	PC	Brantford
Belanger, J. Albert	PC	Prescott and Russell
Bennett, Hon. Claude	PC	Ottawa South
Bernier, Hon. Leo	PC	Kenora
Birch, Hon. Margaret	PC	Scarborough East
Bounsall, Ted	NDP	Windsor West
Braithwaite, Leonard A.	L	Etobicoke
Breithaupt, James R.	L	Kitchener
Brunelle, Hon. Rene	PC	Cochrane North
Bullbrook, James E.	L	Sarnia
Burr, Fred A.	NDP	Sandwich-Riverside
Campbell, Margaret	L	St. George
Carruthers, Alex	PC	Durham
Carton, Gordon R.	PC	Armourdale
Cassidy, Michael	NDP	Ottawa Centre
Clement, Hon. John T.	PC	Niagara Falls
Davis, Hon. William G.	PC	Peel North
Davison, Norm	NDP	Hamilton Centre
Deacon, Donald M.	L	York Centre
Deans, Ian	NDP	Wentworth
Downer, Rev. A. W.	PC	Dufferin-Simcoe
Drea, Frank	PC	Scarborough Centre
Dukszta, Dr. Jan	NDP	Parkdale
Dymond, Dr. Matthew B.	PC	Ontario
Eaton, Robert G.	PC	Middlesex South
Edighoffer, Hugh	L	Perth
Evans, D. Arthur	PC	Simcoe Centre
Ewen, Donald Wm.	PC	Wentworth North
Ferrier, Rev. William	NDP	Cochrane South
Foulds, James F.	NDP	Port Arthur
Gaunt, Murray	L	Huron-Bruce
Germa, Melville C.	NDP	Sudbury
Gilbertson, Bernt	PC	Algoma
Gisborn, Reg.	NDP	Hamilton East
Givens, Philip G.	L	York-Forest Hill
Good, Edward R.	L	Waterloo North
Grossman, Hon. Allan	PC	St. Andrew-St. Patrick
Guindon, Hon. Fern	PC	Stormont

Member	Party	Constituency
Haggerty, Ray	L	Welland South
Hamilton, Maurice	PC	Renfrew North
Handleman, Hon. Sidney B.	PC	Carleton
Havrot, Edward M.	PC	Timiskaming
Henderson, Lorne C.	PC	Lambton
Hodgson, R. Glen	PC	Victoria-Haliburton
Hodgson, William	PC	York North
Irvine, Hon. Donald R.	PC	Grenville-Dundas
Jessiman, James H.	PC	Fort William
Johnston, Robert M.	PC	St. Catharines
Kennedy, R. Douglas	PC	Peel South
Kerr, Hon. George A.	PC	Halton West
Lane, John	PC	Algoma-Manitoulin
Laughren, Floyd	NDP	Nickel Belt
Lawlor, Patrick D.	NDP	Lakeshore
Lawrence, A. B. R.	PC	Carleton East
Leluk, Nicholas G.	PC	Humber
Lewis, Stephen	NDP	Scarborough West
MacBeth, John P.	PC	York West
MacDonald, Donald C.	NDP	York South
Maeck, Lorne	PC	Parry Sound
Martel, Elie W.	NDP	Sudbury East
McIlveen, Dr. Charles E.	PC	Oshawa
McKeough, Hon. W. Darcy	PC	Chatham-Kent
McNeil, Ronald K.	PC	Elgin
McNie, Hon. Jack	PC	Hamilton West
Meen, Hon. Arthur K.	PC	York East
Miller, Hon. Frank S.	PC	Muskoka
Morningstar, Ellis P.	PC	Welland
Morrow, Donald H.	PC	Ottawa West
Newman, Bernard	L	Windsor-Walkerville
Newman, Hon. William	PC	Ontario South
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Parrott, Dr. Harry C.	PC	Oxford
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Potter, M.D., Hon. Richard T.	PC	Quinte
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Renwick, James A.	NDP	Riverdale
Reuter, Hon. Allan E.	PC	Waterloo South
Rhodes, Hon. John R.	PC	Sault Ste. Marie
Riddell, John	L	Huron
Rollins, Clarke T.	PC	Hastings
Root, John	PC	Wellington-Dufferin
Rowe, Russell D.	PC	Northumberland
Roy, Albert J.	L	Ottawa East
Ruston, Richard F.	L	Essex-Kent
Sargent, Edward	L	Grey-Bruce
Scrivener, Mrs. Margaret	PC	St. David
Shulman, Dr. Morton	NDP	High Park

Member	Party	Constituency
Singer, Vernon M.	L	Downsview
Smith, Gordon E.	PC	Simcoe East
Smith, John R.	PC	Hamilton Mountain
Smith, Richard S.	L	Nipissing
Snow, Hon. James W.	PC	Halton East
Spence, John P.	L	Kent
Stewart, Hon. Wm. A.	PC	Middlesex North
Stokes, Jack E.	NDP	Thunder Bay
Taylor, James A.	PC	Prince Edward-Lennox
Timbrell, Hon. Dennis R.	PC	Don Mills
Turner, John M.	PC	Peterborough
Villeneuve, Osie F.	PC	Glengarry
Walker, Gordon W.	PC	London North
Wardle, Thomas A.	PC	Beaches-Woodbine
Welch, Hon. Robert	PC	Lincoln
Wells, Hon. Thomas L.	PC	Scarborough North
White, Hon. John	PC	London South
Winkler, Hon. Eric A.	PC	Grey South
Wiseman, Douglas J.	PC	Lanark
Worton, Harry	L	Wellington South
Yakabuski, Paul J.	PC	Renfrew South
Yaremko, John	PC	Bellwoods
Young, Fred	NDP	Yorkview

MEMBERS OF THE EXECUTIVE COUNCIL

Hon. William G. Davis	*Premier and President of the Council*
Hon. Robert Welch	*Provincial Secretary for Justice and Attorney General*
Hon. Allan Grossman	*Provincial Secretary for Resources Development*
Hon. William A. Stewart	*Minister of Agriculture and Food*
Hon. James A. C. Auld	*Minister of Colleges and Universities*
Hon. Rene Brunelle	*Minister of Community and Social Services*
Hon. Thomas L. Wells	*Minister of Education*
Hon. Fern Guindon	*Minister of Labour*
Hon. John White	*Treasurer of Ontario, Minister of Economics and Intergovernmental Affairs*
Hon. George A. Kerr	*Solicitor General*
Hon. Leo Bernier	*Minister of Natural Resources*
Hon. Eric A. Winkler	*Chairman of the Management Board of Cabinet*
Hon. James W. Snow	*Minister of Government Services*
Hon. Richard T. Potter	*Minister of Correctional Services*
Hon. John T. Clement	*Minister of Consumer and Commercial Relations*
Hon. Jack McNie	*Minister without Portfolio*
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Hon. John R. Rhodes	*Minister of Transportation and Communications*
Hon. Donald R. Irvine	*Minister without Portfolio*
Hon. Dennis R. Timbrell	*Minister without Portfolio*

PARLIAMENTARY ASSISTANTS

Mr. John R. Smith (Assistant to the Minister of Education)
Mr. Leonard M. Reilly (Assistant to the Minister of Industry and Tourism)
Mr. Gordon W. Walker (Assistant to the Minister of Revenue)
Mr. Robert G. Eaton (Assistant to the Minister of Agriculture and Food)
Mr. Dick Beckett (Assistant to the Minister of Transportation and Communications)
Mr. Arthur D. Evans (Assistant to the Minister of Energy)
Mr. Lorne Maeck (Assistant to the Minister of Natural Resources)
Dr. Harry C. Parrott (Assistant to the Minister of Colleges and Universities)
Mrs. Margaret Scrivener (Assistant to the Minister of Housing)

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No. 35

Ontario

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Monday, April 29, 1974

Evening Session

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LEGISLATIVE ASSEMBLY OF ONTARIO

The House resumed at 8 o'clock, p.m.

Mr. Speaker: Just before we start the evening's proceedings, the Chair recognizes the member for Peel South.

Mr. R. D. Kennedy (Peel South): Yes Mr. Speaker. Before we start, I would like to welcome to the House the 45th Mississauga Cub Pack with Akela Mr. Len Stewart, and his assistants Mr. Bower, Mr. Van Bergen and Mr. Johnson, in the west gallery. I know members will join with me in welcoming this group of fine young people.

Mr. Speaker: The order of business which had been called before we rose at 6 o'clock is No. 8, second reading of Bill 25. The member for York-Forest Hill.

LAND SPECULATION TAX ACT
(*continued*)

Mr. P. G. Givens (York-Forest Hill): Yes, Mr. Speaker, I would like to make some comments on the bill that perhaps have not been mentioned in passing by previous speakers. I feel some of the previous speakers have been too critical of this bill—that perhaps this bill is more generous than might have been expected of this government. It is certainly more generous than the bill having to do with the Parkway Belt legislation. There the government simply went ahead and said that those who lie in the path of the Parkway Belt are not going to be expropriated for a specific purpose, such as a highway or for hydro; that their land would be zoned for agricultural purposes forever and a day; and that where land across the way was worth $10,000 or $15,000 or $20,000 an acre, then this land hereafter shall be worth $500 an acre.

So this bill is more generous in that at least you are only charging 50 per cent—and that on top of the income tax which the federal government is charging of another 50 per cent. Assuming that you can take the 50 per cent off the top and deduct it as an expense, this is only 86 per cent. So it is very big hearted of the government.

I wish I could sit in a Conservative caucus. I wonder what some of the Tory backbenchers do when they sit in caucus and see some of this legislation that is being put through by the Conservative government in order to perpetuate itself in office.

Mr. M. Shulman (High Park): They didn't see this piece. They were told about it.

Mr. Givens: They weren't told about it?

Mr. Shulman: No.

Mr. Givens: Government by decree.

An hon. member: How awful.

Mr. Shulman: Members of the backbenchers speaking up?

Mr. Givens: Now, if the purpose of the bill is to—

Mr. Shulman: They were more upset than we were, believe it.

Mr. Givens: Yes.

Mr. M. Gaunt (Huron-Bruce): I can well imagine that.

Mr. Givens: There don't appear to be any manifestations of this protest as they hold on for dear life. Perhaps that's why another couple of parliamentary assistants were appointed a couple of days ago. They are all getting something extra out of the trough; maybe that's why they want to maintain themselves.

Seriously, if the minister is doing this for the purpose of lowering the cost of housing, he has been told over and over again by other speakers he is not accomplishing this. This bill is not accomplishing putting serviced lots on the line or increasing the supply of serviced lots for building in order to lower the price of housing, either for rental or for purchase. The minister is not accomplishing that.

If he is doing it for the purposes of lowering the fires of inflation and he is making this particular attack on one sector having to do with land, why is he confining himself to this kind of land? Why has he excluded

industrial and commercial land? It is obvious that money is going to flow from this kind of speculative activity to speculative activity in industrial and commercial land, and that the prices of goods and services, as a result of the price of industrial and commercial land increasing, will be passed along to the ultimate consumer as well. Why didn't he do it in one fell swoop and increase the fight against inflation; because he is not accomplishing the purpose of lowering the price of housing?

I cannot for the life of me understand why housing minister after housing minister refuses to take part or refuses to embark on a policy of a massive loan of a half a billion or a billion dollars for the purpose of the government going out and servicing land. This is one function which the government could perform better than any private industry, namely going out and servicing land; putting in the sewers and the watermains and whatever else has to be done for the purpose of servicing land in order to bring down the cost of serviced lots.

Mr. J. A. Renwick (Riverdale): No question about it.

Mr. Givens: This the government refuses to do for year after year. This Minister of Housing (Mr. Handleman), like previous housing ministers, gets up and renders lip service to this business of providing serviced lots and does not do so. He makes the noises and goes through the motions and the government refuses to do so. Instead of this, the minister comes in with this—

Mr. Renwick: Six thousand serviced lots.

Mr. Givens: —grandstanding bill in which he purports to catch the fish, the people who are speculating in land. He says he is going to raise $25 million, and I say there will be grass growing down Yonge St. if he raises $25 million this year from this tax, because I don't think he'll do it. The tax is punitive. He'll be catching a few fish but I don't think he will—

Mr. R. F. Nixon (Leader of the Opposition): I understand one can find grass on Yonge St.

Interjection by an hon. member.

Mr. Givens: They've rolled it up. They had it for the mall but they rolled it up.

It's punitive. He may catch a few fish in this way but he will not be moving more lots onto the market for building purposes.

One of the reasons people are buying land—

Hon. A. K. Meen (Minister of Revenue): Where is the member's proof?

Mr. Givens: —is there is a flight from the paper dollar. There's a loss of confidence in the paper dollar; the smart money is escaping from the paper dollar and they are buying tangibles. They are buying land; they are buying gold; they are buying art treasures; they are buying jewels; they are buying commodities.

Interjection by an hon. member.

Mr. Givens: They are buying what?

Mr. R. F. Ruston (Essex-Kent): That was the member for High Park. They are buying bean futures.

Mr. Gaunt: He's not for sale.

Mr. Givens: He's only one representative of many.

Mr. Shulman: I command a high price in this country.

Mr. R. F. Nixon: He is buying commodity futures. He doesn't fool around.

Mr. Givens: There is a flight from the paper dollar. My guess is, and this will be borne out in two or three years, that the people who have land — not the in and outers; they will go by the board; the guys who go in and put down $2,000 for a deposit and won't close their deals; there are not very many of them — the other people will sit on their land because there is this flight from the paper dollar. The fires of inflation will increase because of the pressures in the world market and because the banana republics which have bananas to sell are going to be sitting on them.

Those who have commodities to sell, the cocoa producers, the coffee producers, the sugar producers and the oil producers, are waiting for the prices to go up. They have discovered there is a world shortage in these commodities; these are the factors that are firing the fires of inflation in this country. This is why people are buying into land and this is why the inflation on land will increase; and this tax isn't going to catch them, because they are going to pass it on to the ultimate purchasers.

We have already dealt with the problem of small builders who won't be able to function under this legislation. The minister hasn't either confirmed or denied the allega-

tions made by my colleague, the member for Downsview (Mr. Singer), as to whether, indeed, he has 83 amendments or he doesn't have 83 amendments to present.

Mr. R. F. Nixon: He hasn't got any amendments.

Hon. Mr. Meen: I will confirm it; I don't have a total of 83, even in expectation.

Mr. Givens: Does he have half that number?

Hon. Mr. Meen: I think not.

Mr. Givens: But he has indicated this afternoon he has three very wide fields of activity which he is considering, namely the field having to do with the builders' lots; the field having to do with rental activity, on which he wasn't too clear as to whether he was going to listen to the representations that have been made to him as to whether he was going to make amendments to those sections. Those are very serious fields, and we don't know what is going to happen there.

I want to ask the minister this: What is speculation? Speculation is risking very little to make a whole lot. I am wondering what the Conservative backbenchers are thinking about the person who is a farmer and who has owned a farm for 25 or 30 or 40 or 50 or more years, and who has been watching everybody around him sell off land and watching the prices of the land around him rising from $5,000 to $10,000 to $15,000 and $20,000 an acre, and now he is caught by this tax. Do they consider that man a speculator? Do they think he is deserving of the punitive aspect of this legislation?

Mr. H. Worton (Wellington South): Come on, tell us.

Mr. Givens: I want to ask some of the backbenchers, about the prudent investor, the doctor, the lawyer, the businessman, who for 20 years was told he had to have a hedge against inflation, so he has been depriving himself for 20 or 25 years of spending his money on some of the finer things of life and he has bought himself 25 or 50 or 100 acres of land. He has been paying the taxes, and he has been paying the principal and interest on the mortgage. Is this man a speculator in the same sense as the guy who put down a small deposit six months ago and is going to skim off a big profit? The minister is treating him in the same way?

What about the widow who inherited an estate five years ago, inherited some rent-producing property, or inherited some vacant land to which she has caused no improvements to be made? She has been told by her lawyer and she has been told by her accountant to hold onto it because all around her they have seen people whose land has appreciated in value. Is she a speculator in this sense?

The minister shakes his head "No." Well what protection is he affording these people who aren't speculators, but who were investing in the future of Canada? One of his own cabinet ministers—who is no longer a cabinet minister—said he did the same a few years ago, he invested in the future of Canada. What confidence can anybody have in this country when the government comes in with this kind of legislation?

Mr. R. F. Nixon: He said he wished he had bought more.

Mr. Givens: They are benefitting nobody with it, because this isn't the land that is going to come on the market for people to build houses on or to build apartments on.

There is another question that I want to ask the minister that he hasn't dealt with at all. We are in an inflationary spiral now; we hope that with the passing of time these fires will be dampened and that they will go down, and that the acceleration will be decelerated, but once the minister puts on tax legislation he cannot very well reverse it. What is he going to do five or six years or 10 years from now when he wants to reverse this? How is he going to do that?

How is he going to be able to accomplish that? What is he going to do with respect to people who are in the middle class or who are business people or professional people, who reach the age of 50 and want to plan their retirement portfolio or who want to plan their estates, who happen to own some real estate and who are thinking in terms of leaving their prospective widow or their dependent children a piece of real estate for their future, either revenue producing or non-revenue producing? How can they plan their estates now in the light of this tax which the minister is imposing on the books, this tax which does not benefit the people he is thinking of benefitting, by lowering the cost of housing?

We can all be in agreement that he is not going to lower the cost of housing, because he is not bringing low-cost land onto the market at all. He is dealing with raw land, raw land which won't come on the market for at least another five or 10 years

because it cannot be serviced at this particular time. So we are agreed on that.

So the government is not helping them and the minister is not going to be really bringing down inflation, because he is doing nothing about price controls. He is doing nothing about wage controls. He is doing nothing about controlling the inflationary factors in other sectors of the economy. All that it has done is that the government has taken this particular spectacular sector and it has come in with a spectacular piece of legislation which appears to be dealing with something that's inflaming the economy, but which in fact is only one particular minor factor in the economy and nothing else.

Now how can people plan their activities in the future with respect to this tax when the minister himself, doesn't know what he is doing? He hasn't made up his mind with respect to the various amendments he has indicated he is going to bring in or that he may not bring in; he hasn't told us what he is going to do. We are debating this thing in the dark.

So, Mr. Speaker, it's a sad day when we deal with a piece of legislation which is of such far-reaching consequences. I would never expect that a true blue Conservative government would bring such legislation into this province because of the effect that it's going to have on the whole economic picture of this province.

It will have no beneficial effect that anybody can see in bringing down the price of housing. It will have no beneficial effect as far as bringing in revenue is concerned, because the minister himself has admitted it isn't going to bring in a great deal of revenue and that that isn't its fundamental purpose.

So what is the purpose of this particular piece of legislation? It is to indicate to the public that the government is doing something for them; to indicate to the public that it is trying to stoke the fires of inflation; to indicate to the public that it is trying to bring down the cost of housing—when in effect it is not doing that at all.

All the government is doing is playing with dynamite. I suggest, with respect, that when one is playing with dynamite and playing with percussion caps, they should only do so when they know what they are doing. I don't think that the minister or the government realizes what they are doing in this respect. I think the government will rue the day it brought in this particular piece of legislation, because it is fraught with very serious consequences.

Mr. Speaker: The member for Sandwich-Riverside.

Mr. F. A. Burr (Sandwich-Riiverside): Mr. Speaker, like everyone else in this group, I support the principle of discouraging the type of rampant speculation that has been permitted in this province for some years, especially because of its inflationary impact on our economy.

Speculators who add nothing to the property in which they are speculating can expect very little sympathy. But I should like to know whether the ministry has considered the effect of this bill on that group of people whom I shall call the home rejuvenators. These are people who buy old houses, old homes, renovate them and resell them, making a modest profit in return for their own labour.

In Toronto the last year or so they would have reaped the benefits of inflation and the label "speculators" might possibly be justified in some measure. But in Windsor, where house prices have not yet gone wild, the home rejuvenators have not deserved in any way to be labelled as speculators—at least those who are doing their own work.

From what I have been able to learn, the home rejuvenators in Windsor will go quietly out of business next month. These men constitute one of the genuine free enterprise efforts that produce a socially desirable end product, namely better housing. It will be a great pity if this group is wiped out.

I am sure this is not the intention of the minister or of the government, but this will happen if the bill means what many of these small businessmen think it means. I have received representations on behalf of some of these home rejuvenators and I should like the minister to tell me whether these fears are justified, based on a case study I shall relate.

This is an actual example, which I should like the minister to hear, and on which I would appreciate his comments. I shall go slowly so he and his advisers may make notes and give me the answers I am seeking.

Two Windsor partners earn their living by buying old houses at the rate of about 10 or 12 a year. They renovate and resell these houses—

Mr. R. F. Nixon: Doesn't the member want to do this in committee?

Mr. Speaker: The hon. member is asking for an explanation of the principle.

Mr. Burr: At present, these two men are buying an old house and the closing date was April 26, well after the April 9 deadline mentioned in the Act. The cost of the property is $26,500, of which the value of the land is $8,750 and that of the building is $17,750, if the value is pro-rated according to the assessment. The house, as you see Mr. Speaker, is about two-thirds of the total value, about 67 per cent. The planned renovations will cost $1,455. Because the renovations represent only 5½ per cent of the the total value of the buildings and the land, this property will not be exempted under the Act.

This work will take the two partners a full two weeks. They estimate the value of their labour at $1,000. That is, $250 a week each. According to their accountant, income tax regulations do not permit an assessment of one's own labour as a cost that improves the value of the property.

Maintenance of the property, which includes insurance, three months of municipal taxes and three months of mortgage interest, comes to $523. Legal fees and real estate commissions on resale will total $1,730. This gives an adjusted cost of $30,208. Counting the cost of trucking, tools, office expenses and accounting, a total of $250, and the value of their own labour of $1,000, this gives them a real cost of $31,458.

The estimated resale value is $34,000. By subtracting from this resale amount of $34,000 the adjusted cost of $30,208, we get a taxable value of $3,792. The speculation tax of 50 per cent on this will be $1,896. The partners must pay federal and provincial income tax at a 40.45 per cent rate. On the full profit of $3,542, that is $3,792 less $250 for trucking, tools, etcetera, the income tax at the probable rate of 40.45 per cent is $1,433. This gives a combined total tax – comprised of speculation tax and income tax–of $3,329, leaving $213 as a profit, if one can call it that, for two full weeks of work and worry for two grown men with families to support.

There is, of course, the added risk that the anticipated sale price of $34,000 may not be forthcoming.

Now, if the speculation tax is allowed as an expense deductible for income tax purposes, a point on which I should like clarification from the minister, then the partners would make $980 on their venture, involving at least two weeks of hard work plus all the time spent with real estate agents, lawyers, insurance agents and all the other worries involved. This is not enough for the contribution they will have made to the community in upgrading or revitalizing or rescuing a deteriorating property which is badly needed for providing adequate housing in Windsor.

Without the speculation tax, the partners would have shared $2,109 for their enterprise in rejuvenating this property. This covers a period of two weeks of intensive hard labour and probably an equal length of time in what might be called administration and planning. If the two partners share this amount, they make $1,060 each for a month's activity. This is not what one could classify as a speculator's rip-off, Mr. Speaker. Certainly this is not what the minister has in mind.

To sum up this case history: (1) Without the speculation tax, the two partners doing their own work would have made $2,109 in the process of buying this house and land for $26,500 and selling it for $34,000; (2) if they are subject to the speculation tax, their net gain for their work will amount to only $980; and (3) if, as they fear, the speculation tax is not a deductible expense for income tax purposes, their net return for all their effort and the risks they have run will be only $213.

Now I have a second case study, but I shall not give the details, just the fact that the property cost $27,375 and they expect to sell it for $38,000. The summary for this property is as follows: If there were no speculation tax, the partners would share $1,452 for their months' effort. This involves renovations of over $5,000, a very poor return for their enterprise and the risks they have run. If the speculation tax is deductible for income tax purposes, then they would share only $622. If the speculation tax is, as their accountant reads the Act, not deductible, then they share only $57 for their four weeks' hard labour in carrying out renovations of $5,350 plus providing about $2,000 worth of labour.

Mr. R. F. Nixon: Is the minister getting all this?

Mr. Burr: Now whether the speculation tax is deductible or not, it's obvious that these partners–

Mr. W. Hodgson (York North): Watch him, Stephen – he is going to be for free enterprise–

Mr. Lewis: Good policy.

Mr. Burr –are not going to renovate any more properties at the relatively moderate margin at which they have been working.

The risks are far too great and the rewards are far too small.

Society will lose the very worthwhile work which they have been doing if the speculation tax is applied to this group of entrepreneurs. And surely, Mr. Speaker, it is not the purpose of the government to put these home renovators out of business.

If the partners were allowed to add the value of their own labour, $1,000, to the cost of the renovation of that first house, $1,455, we should have almost the required 20 per cent that would enable the Act to exempt them. Another $300 worth of renovations and labour would then enable these renovators to be exempted from the speculation tax. If this is what the minister agrees is fair, then the bill should make it quite clear that the renovators' own labour can be considered part of the 20 per cent required to exempt the property.

Another suggestion, perhaps an alternative to counting the renovator's own labour as part of the 20 per cent, would be to make the 20 per cent required improvement apply to the building alone and not the building plus land combined.

Mr. Speaker I should appreciate, when the time comes, the minister's comments on this aspect of the principle of the bill as it would affect the home renovators or home rejuvenators.

Mr. Speaker: The member for York North.

Mr. W. Hodgson: Mr. Speaker I'd like to speak a short time on Bill 25. I'd like to say at the outset that I agree with the principle of the bill. The only thing that I would disagree with is that it is about two years too late coming in.

But I'd like to share the concern of the member for Downsview, plus the member for Riverdale, for the small developer. The small developer in the area I come from is the backbone of the house building industry.

Mr. Givens: The small builder, not the small developer.

Mr. W. Hodgson: Small builder, excuse me, I'm glad the member for York-Forest Hill corrected me. It is the small builder who is the backbone of our community. I would say that in a large area like Metropolitan Toronto he does contribute, but not as much as he does outside of big metropolitan areas.

I would ask the minister to seriously consider an amendment to the bill that would protect and place the small builder in a competitive position with the large developer. That is my first point.

The other thing I am concerned about is farm properties. As it is outlined by the bill now, a farmer could farm his farm for a lifetime—he could be a second generation farmer—but April 9 is D-Day. If he sells for any other purpose except farming he will be penalized by the speculative bill.

Mr. R. F. Nixon: Even if he sells for farming.

Mr. W. Hodgson: No, not necessarily for farming, the bill provides that if it is kept in farming he won't be penalized. I am sure there are a lot of people throughout the Province of Ontario and in this Legislature who agree with me. If it had been a family farm and a farmer has conscientiously farmed his farm for 10, 15, 20, 25, 30 years, he should be able to sell it for whatever the market value is—whether it be sold for house building or for any other purpose. He shouldn't be penalized at the end of that time. He has done his duty to the Province of Ontario in providing cheap food. Not only the Province of Ontario but the Dominion of Canada. I'd ask the minister to take a second look. This shouldn't be. The evaluation day as set on April 9, which I mentioned as D-day, it—

Mr. Renwick: He should withdraw the bill and save us the trouble.

Mr. W. Hodgson: It should be considered in terms of the number of years he has farmed that farm. You have a good criteria to go by as set by the Minister of Agriculture and Food (Mr. Stewart), in the case of grants. If he has produced the maximum of $3,000 a year he qualifies for 50 per cent of his taxes, and that's not too hard in this day.

The third point on which I would like clarification is that if the land is used for industrial or commercial development why is it also exempt from the tax? Maybe there is a farm outside of some of our smaller communities in agricultural use today and it could be developed into commercial or industrial use tomorrow—it could be rezoned. If it is rezoned by the municipality will it be exempt?

These are just three of the points I want clarified, not only for my region but throughout rural Ontario. I would like the minister to consider these points I've made here this evening. When you come back into the Legislature on third reading with your

amendments, I hope these are included. Thank you very much Mr. Speaker.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. Renwick: Just withdraw the bill and put some unserviced land—

Mr. R. F. Nixon: Mr. Speaker, I want to speak in favour of the principle of the bill, which is to tax unconscionable profits in land speculation.

Mr. Renwick: There is nothing about unconscionable profits. It is to stabilize land and housing prices.

Mr. R. F. Nixon: If we're going to have a rational approach to our parliamentary procedure, I can't see why it isn't within the ken of reasonable people to realize that the principle of this bill is to tax these unconscionable profits.

Mr. Renwick: I think it is to stabilize land and housing prices.

Mr. R. F. Nixon: Yes, well the hon. member can establish the principle to suit his own particular requirement.

Mr. Renwick: The Treasurer (Mr. White) stated the principle of the bill.

Mr. R. F. Nixon: Well I see the principle of the bill as a tax on unconscionable profits, and I'm very much concerned with the way these profits have been increasing. Economic experts, and even amateurs like the member for Riverdale, can with their incisive minds cut to the core of all of these problems for the edification of anybody who cares to listen—

Mr. Renwick: We tried to do that this afternoon.

Mr. R. F. Nixon: But still, Mr. Speaker, I'm sure you are aware that even the best economists—

Mr. Renwick: There is an unconscionable—

Mr. R. F. Nixon: —and even those people who, by stringing together the platitudes of the discipline to which they adhere, still cannot explain the fantastic inflationary expansion which is ruining the land market in every respect and the housing market from the standpoint of those people who want to provide themselves with accommodation; and even to buy farmland for the production of food rather than for speculation.

One can often purchase property, ostensibly a farm, or purchase a home, ostensibly a place to live in, and find that its price has no relationship whatsoever to either of those purposes, but is related only to its resale value. This is surely something that this bill, in principle, can at least affect if not completely control.

There was a time when the widows and orphans we've been hearing about so much in this debate, if they had a few dollars, were advised by some people, I suppose, to put it into some kind of a revenue-producing property; that dear little old four-plex we have been hearing about so much in the debate this afternoon.

But there was also a time when they were advised to invest their money and their savings, and perhaps, their legacy, in the development of our country and our natural resources—they were even advised to buy savings bonds and things like that. We have found that the policy of the government of Canada, in Mr. Benson's time—

Mr. Renwick: That was a poor investment too.

Mr. R. F. Nixon —very properly imposed a capital gains tax on stocks and a provision that is known among the experts as the grossing-up dividend provision, which has driven people out of that sort of an investment and basically into investment on land. This was, if not the main thrust towards land investment, one of the things that began the turnaway from the stock market, the bonds, other debentures, even savings bonds; and directed people's attention to real estate as an investment and as a "hedge against inflation."

In other words, those changes in the tax laws of Canada, if anything directed people into this sort of investment—and I'm talking about the widows and orphans, as well as those people who are smart operators and know how to turn a fast buck.

Mr. Renwick: Very few widows and orphans own any land in the Province of Ontario that we are talking about tonight.

Mr. R. F. Nixon: Yes. Well, I've just been treated to an extensive dissertation on either a widow or an orphan owning a property that is being developed and improved. Now, I think that was one of the arguments from one of the hon. member's colleagues, and obviously it was from one of mine.

I'm not saying for a moment we should not be concerned about their investments, just the way I can remember the hon. mem-

ber who is so irritated because I don't happen to agree with him in this—

Mr. P. D. Lawlor (Lakeview): Just who is the hon. member mad at?

Mr. Renwick: I get the impression he is irritated. I'm not irritated.

Mr. R. F. Nixon: I find the hon. member irritating at times. I really do.

Mr. Renwick: That doesn't make me irritated.

An hon. member: No, it doesn't make the Leader of the Opposition right either.

Mr. R. F. Nixon: I can well recall the hon. member's concern when large numbers of people, mostly pensioners, lost their investments because they had decided to invest it in Prudential Finance at the fantastic rate of seven per cent. I can remember him emoting to full galleries about his knowledge of the economic situation at that time—unfortunately, to little or no avail.

Mr. Renwick: How right we were!

Mr. R. F. Nixon: Yes, and to no avail. Mr. Speaker, after those changes in the federal tax legislation, the direction toward investment in land began at an accelerated rate and has been accelerating ever since. It has now somehow taken on a momentum that I say to you cannot be explained by even the most erudite economist. It is similar to the same kind of weird investment infatuation that we have read about down through history, which has no relationship whatsoever to the actual value of the property concerned but is an investment for the sake of resale rather than use, whether it is farm property or housing property.

Mr. Speaker, when you think of people shelling out $60,000 for a fifth-rate townhouse, you must realize that these investments are for something other than to provide a living facility. Speculators are buying houses throughout Ontario and turning them over at $10,000 profit before the first sale closes. They are buying everything they can get their hooks on. Houses that were built in 1972 and sold for $25,000 are now selling for $45,000. Lot prices have escalated to the point where their resale value has gone up by factors of 10, 25, and in some cases even 100.

If the farmer gets an opportunity to sell his farm, which two years ago he valued at $35,000 to $45,000, why shouldn't he sell it when somebody comes along and offers him $100,000 and, when that is turned down, then offers him $150,000 or $200,000? It doesn't seem to make any difference whatsoever what the asking price is because of the fever that has got into the minds and the hearts of those people who are turning over property for a quick profit.

I support the principle of this bill in that it will tax that quick profit, with these two reservations! I believe that the tax should be 100 per cent on these unconscionable and speculative profits and I do not agree with what the minister has set forward as his designation of a profiteer or a speculator.

I do not intend to go over the various classifications that have been brought to his attention in the past. I am sorry that the Minister of Agriculture and Food is not in the House, Mr. Speaker, because he almost always is for these debates. The idea that a farm that is an operating concern should be subject to the additional tax as if it were a speculative sale is supportable only if that land is eventually going to be subject to the unconscionable profits that we have seen in the past before April 9, and I say to the House, no doubt, after April 9 as well because of the inadequacies in the administrative features of the bill.

There should be some means within the mind of the minister and those advising him, and I must admit that I am not one who can give him the direct advice that perhaps he seeks in this regard—

Mr. Renwick: We tried to this afternoon.

Mr. R. F. Nixon: Yes, I know. The member for Riverdale not only tries but he does it without end. It is too bad nobody ever listens to him, not even his colleagues.

Mr. Ruston: That is the story of his life.

Mr. Lawlor: The redone Robert Nixon!

Mr. R. F. Nixon: The idea of a farm being passed on without being subject to this tax as long as it is to some relative seems to me to be irrelevant.

Mr. Lawlor: He is being obtuse.

Mr. R. F. Nixon: It seems to me to be irrelevant that the law should, in fact, require that the land stay in agricultural production and, as long as it does, should not be subject to this special tax which is designed to cream off unconscionable profits.

Interjections by hon. members.

Mr. R. F. Nixon: As soon as it is sold for developmental purposes, that is the time to tax the profits. I personally do not believe that we should support the exemption of the taxing base within a family, but rather we should support the exemption on the basis of payment of this tax as long as it stays in viable agricultural production. The last thing we want to do, surely, is artificially to increase the cost of land, which is going to turn up by the same token as an increase in the cost of food. The same objection is expressed in what the member for Riverdale considers to be the deep flaw in the principle of the bill which does not permit him to support its concept and that is that the additional cost will turn up in the cost of housing.

This is, of course, regrettable and it is a serious matter indeed. Surely, as we examine the bill in its provisions there can be means put forward for example, to see that the small builder is not going to be forced out of business. It is estimated there are 2,400 building companies in Ontario which build 25 houses a year or less. The minister has indicated that he is aware of the problems inherent in the administration of the bill— or the features of the provisions of the bill — and I regret deeply that he did not respond to the comments from the opposition and at least let us have a look at those amendments which the minister has said will correct that unfortunate situation.

I believe that if we placed a 100 per cent tax on speculative land profits and had a bill which would define, in an acceptable way, what speculation actually is — basically land which does not have improvements on it — the price of farmland would decrease to the point where the farmer could afford to stay on the farm.

One of the things that has concerned the ministers of agriculture both provincially and federally is that the commitment of capital in the provision of land has simply got out of the reach of the working farmer. It's within the reach of the person who has foreign capital or his own savings to invest in an escalating market but for a farmer who is prepared to work the land and produce food, hopefully at a profit for himself and his family, if built into that is the cost of land which is artificially inflated because of the opportunity for speculative profits, obviously it is not going to work in the best interests of the consumer or the farmer.

It is a deep flaw in the bill. It is a flaw with which the minister has to come to grips and the member for York North made a good point in that regard. It has specific application in this province, probably more than in any other part of Canada, because we have a third of the class 1 and 2 arable land of the whole nation. To tax that in such a way that it is going to be forced out of viable farming is a very serious matter indeed.

I was concerned that the valuation day was set at April 9. Some of the huge speculative advances in value had already taken place and it would not necessarily have had to be a tax applied retroactively if valuation day had been established at an earlier date. The rate of inflation of farm properties, housing properties and development properties in all parts of this province had been going at that time for many months, completely out of any realistic control or any relationship to the actual value of the real estate under consideration.

I would say to you, Mr. Speaker, that it is strange that a Conservative government would bring in a bill taxing profits in this way. I have no trouble supporting it because I believe it is a principle which should command the support of Liberals and anyone else who agrees with out particular position in this regard. I would say to you, Mr. Speaker, that it is essential the government bring forward legislation which is going to direct investment away from the compelling attractions of real estate for its own profit rather than its own viable use.

I would say again, for those who would choose to listen to the argument that the principle of the bill does do that, that the provisions of the bill in detail are flawed and my colleagues have pointed that out to you, sir, and will do so when we examine the bill in committee. Amendments are possible and the minister himself has indicated that he has some. There will be amendments from our party as well which I hope will do away with the serious shortcomings in the provisions of the bill as it is presently before us.

Mr. Speaker: It there any member from the NDP who wishes to speak? The member for High Park.

Mr. Shulman: Mr. Speaker, I would like to rise to condemn this bill but not the idea behind it, which was worthy. I'm sorry the thinker of the bill isn't here. He has kept very carefully away from it; I don't blame him too much. It is a great idea, as so many of his ideas have been, but badly flawed. In any case, I shall direct my remarks through you, sir, to the technician who has the responsibility for steering it through the House.

Mr. F. Young (Yorkview): He's in Europe.

Mr. Shulman: Is he in Europe? Oh.

Mr. Lawlor: He's going to make a speech in Paris.

Mr. Shulman: Good reason for him to be away. I want to tell you a story about a doctor, Mr. Speaker, who some 23 years ago opened up a practice out in west Toronto. He had no idea of speculating in land at that time but he thought he needed an office to practise in, so he bought a little house, and he practised there. He's practised there all this time. I know him well, and—

Mr. Givens: He's the member's best friend.

Mr. Shulman: Well, perhaps, in a way.

Mr. R. F. Nixon: He is also his alter ego.

Mr. Lewis: Even his ego.

Mr. Shulman: I understand from this doctor that he is thinking of retiring from this particular line of work, and no longer will be needing his building after next year. I should imagine at that time that instead of becoming a slum landlord he would prefer to sell the building. That man is going to get caught in your speculation land tax. He is going to have to be paying the 50 per cent tax, and any increase in value in that time.

Mr. R. F. Nixon: If he plants a crop of soybeans he can probably evade the tax.

Mr. Shulman: Well, I am sure the man can pay the tax, but—

Mr. R. F. Nixon: That is the next thing they are going to tax.

Mr. Shulman: I am telling this story to illustrate the very tiny thought that went into this bill. Is that really what you want to do? Do they really want to catch a guy like that?

Mr. Givens: Yep.

Mr. Shulman: Do they really—

Mr. L. M. Reilly (Eglinton): I hope not.

Hon. Mr. Meen: Why not?

Mr. Renwick: That is one of those real speculators that the Leader of the Opposition was talking about.

Mr. Shulman: This is going to happen. You are going to catch this type of person, the man who has no intention of speculating in land or in buildings. Because every professional who has bought his own little spot to practise in is going to get caught in this when the time comes to retire. You are going—

Mr. E. R. Good (Waterloo North): Isn't it a commercial building?

Mr. Shulman: It is not a commercial building.

Mr. R. F. Nixon: Put a drugstore in the bottom.

Mr. Shulman: Maybe if he put a drugstore in it he could get it exempted.

Mr. R. F. Nixon: You mean you haven't got one there?

Hon. A. Grossman (Provincial Secretary for Resource Development): He will live off the rent.

Mr. R. F. Nixon: There's not a doctor I know who doesn't have a drugstore on the first floor.

Mr. Shulman: I don't want to repeat the things I said on the Land Transfer Tax Act, because the two bills were brought in together. They had the same birth, and I happen to know the hour it took place. A gentleman confided in me. It was at 3 a.m. that he woke up from a dream and said, "My God, have I got an idea. This is going to be the budget for this year."

Hon. Mr. Grossman: 3:10 a.m.

Mr. Shulman: He came rushing down to the office the next morning – this man was a minister of the Crown, who I understand is not with us at the moment.

Hon. Mr. Grossman: He is having group therapy.

Mr. Shulman: He picked up the phone and phoned some other office here in the building, and he said, "Bill, have I got an idea. It is going to get us right off the hook." I don't know who he was talking to – some fellow named Bill or Billy – and Billy said: "Yeah, it better be good, better than the last one I hope." And he said, "Yeah, this one has got no flaws in it. This one is really great."

Mr. R. F. Nixon: You don't even have to turn down the thermostat.

Mr. Shulman: "It is going to look wonderful in the papers. It's going to get those 'furriners' out of the country, who everybody thinks are taking advantage of us; and not only that, we are going to get the specula-

tors. We will be able to get up at the budget time – of course the budget was only 10 days away at the time; it was sort of a late blooming idea – "We are going to be able to get up at budget time and by golly, are we going to have a vote-getter. Right across the province they are going to like it."

This fellow Billy, Billy the Kid, whoever he is, said: "Gee, that sounds great." Whatever that other fellow's name is – Johnny, Johnny. "Johnny come on over and tell me about it."

This was how it all began. It was a dream. It may turn out to be nightmare before it's finished, but it began as a beautiful dream. And the problem was exactly the same problem as occurred with the "furriner" tax. They didn't give the experts enough time to draw it up.

Johnny said, "Look, we've got this great idea. Let's get it drawn up in a hurry; and then we are going to really show those– We'll shut up the NDP because they keep screaming about these various things. And the Liberals will be so confused they will support us–and oppose us–they won't know what they are doing. And we are going to have the whole press right across the country to cheer us, and by God, you could even have an election this October if you wanted to."

Well, well, it sounded great–

An hon. member: Allan's approved it too. Allan approved it.

Mr. S. Lewis (Scarborough West): When Ian said 100 per cent, that is what he was talking about.

Mr. Shulman: I must confess, Mr. Speaker, and I yield with as much grace as I can muster to the hon. minister, if I had been sitting there in that room, when the minister came in with his bubbly idea, and had it thrown at me very quickly, I too might have succumbed. Because let's face it, these men didn't have too much time to think about it. It was a last-minute thing, you know, "We can't have one of these budgets where they say, 'Oh, we are waiting until next year to bring in all the goodies.' We have got to bring in something in the budget." And, quite frankly, they did not have much to put in the budget this year.

Mr. Renwick: That's right. They had very little going for them.

Mr. Shulman: It was a bit of a problem. They didn't dare increase taxes and the little piddly taxes they were cutting were of such irrelevance–Mr. Clean taxes and shoes under $30 and things like that–they weren't really affecting too many people.

Hon. Mr. Meen: Just get depressed.

Mr. Shulman: My shoes cost $24.95. That's okay. I got them on sale.

Mr. C. E. McIlveen (Oshawa): Honest Ed's?

Mr. Shulman: Honest Ed's, yes. How did the member know

An hon. member: In the fire?

Mr. Shulman: Anyway, to come back, they brought in the bill, they did not give their people enough time to draw it up sensibly and the result is that now that the truth has dawned–and it has dawned over there a little late–what they have said is, "Don't worry, we recognize the bill is flawed." Because suddenly their own people started coming to them. I know a few of them said, "For God's sake, what have you done here? You are going to stop the building of houses; you are going to produce all sorts of other things," which I will come to by and by, "rents are going to go up; building is going to stop because all the small people won't be able to build, and they do most of the building."

So the minister, with a little embarrassment–but he handled it quite well, I must give him credit–came in and said, "Don't worry about those little tiny flaws. We haven't had time to work it out, but we are going to bring in amendments to fix all that." The opposition was curious as to what the amendments were going to be and said, "What are the amendments going to be?" and the minister drew himself up with as much dignity as he could muster and said, "I'm not going to tell you that, but we are working on it. Don't you worry, you will see it all in due course."

So, the Leader of the Opposition said, "Don't you think we should see the amendments before we debate the bills so that we can debate them intelligently?" And the minister sort of decides, "We don't want them to do that."

Mr. R. F. Nixon: The member is insulting people from Riverdale.

Mr. Shulman: Actually, I must sympathize with the minister.

Interjections by hon. members.

Mr. Shulman: I must have sympathy for the minister. It is not that he didn't want us to try to debate it intelligently; he didn't have the amendments made up. So he went back to the Treasurer and he said, "You've got me in a bit of a spot here. Get those damn amendments to me in a hurry." And they are working like mad.

Mr. Renwick: The Treasurer is in Europe. He wants to keep the socialist hordes out of Paris.

Mr. Shulman: Well, this is a bit of a problem. The brain—the dreamer—had gone to Europe. This is a little unfortunate. So they put all the lawyers to work on this issue and they are working like mad. They have drawn up the amendments now. They are drawn up. The trouble is, they don't want to fall into the same—

Mr. Young: Cesspool.

Mr. Shulman: —cesspool, my colleague suggests—cesspool as they did with the bill itself. So they have sent them out to other experts to get another opinion to make sure it is okay before they stumble.

All right. My sympathy to the minister. But what is wrong with the bill? Let's just see. What is it that he's trying to do? There seems to be two schools of thought around here as to what he is trying to do. The minister says he is trying to stabilize housing prices and land prices, I believe, and the member for Brant says he is trying to sweat the speculators. Whatever it is he is trying to do that unfortunately is not what he is doing. And I look at it with some amusement tinged with regret, because we are all in this same sinking ship together and as you go I am afraid we are going with you; conutry, province and all.

However, I am embarrassed to admit this, Mr. Speaker, but I have friends who are land speculators. I actually eat with them occasionally and some of them are actually not only—

Mr. D. C. MacDonald (York South): Cheer up, the member hasn't got as many as the minister.

Mr. Shulman: Not only are they friends of mine but they are also advisers to the government. I had the pleasure, one evening not so long ago, of having dinner with three of these gentlemen and their lovely ladies. They were telling me of the chaotic phone calls and arguments that were taking place in the area surrounding the Prime Minister, his chief advisers, and their extreme unhappiness at the fact that—

Hon. Mr. Grossman: How is it that the leader of the NDP can't associate in that milieu?

Mr. Lewis: I don't move in those circles; that is a delegated responsibility. In our caucus we spread things around.

Hon. Mr. Grossman: It sure is. It is at arm's length.

Mr. Shulman: As they pointed out to me, they said, "You know what is going to happen?"—and I am now speaking of one of the largest landholders in Scarborough, perhaps the largest landholder in Scarborough.

Mr. Renwick: The member for Scarborough West?

Mr. Shulman: No, it is not him.

Mr. Lewis: But very close.

Mr. Shulman: He doesn't live very far from the member though. He said, "You know, I own more undeveloped land in Scarborough than any other individual. I don't build houses. I usually sell the land to builders. I don't do much building. You know what they are forcing me to do? I'm just taking the land off the market. I am going to sit on it."

Hon. Mr. Grossman: He is going to find himself surprised.

Mr. MacDonald: That is where the minister is kidding himself still.

Mr. Shulman: This man happens to be one of the richest, young, single, eligible bachelors in the city. Everybody knows who he is now.

Hon. Mr. Grossman: Is he male?

Mr. Shulman: And he happens to be a multi-millionaire. He said, "I can sit on that land for 10 or 15 years. I can outwait the Tories."

Mr. J. Riddell (Huron): He only needs one year for that.

Hon. Mr. Grossman: Don't believe it. He is going to get a sore backside.

Mr. Shulman: He said: "There's no rush. I own the land. I've got no mortgage against it. I've got it clear and free. I can develop it next year. I can subdivide it and sell it.

Or I can develop it after this government or more likely after this minister goes."

He said: "There's no rush. But you know what it means? My land isn't going to go on the market. And that means there's going to be that much less land available in Scarborough. And that means that the land that does become available and is built on is going to have to sell for more for the simple reason of competition. There are going to be that many more people wanting those houses, because I'm going to build my share."

And does this government know what price they are going to be in about a year and a half from now?

Hon. Mr. Grossman: The member should tell his friend to sit and wait—he is in for a great surprise.

Mr. Shulman: I would like him to be surprised—and I would like the minister to be right this time. But I fear the minister is wrong.

I've got in front of me a letter from the Metropolitan Hamilton Real Estate Board. This is a socialist organization which my colleagues have set up in Hamilton to promote the causes of the NDP. I believe they wrote all of us a letter pointing out the "minor flaws," as they put it, in the Land Speculation Tax Act.

Mr. V. M. Singer (Downsview): We all got the letter.

Mr. Shulman: We all got it, but no one so far has mentioned it in the debate.

Mr. Lewis: We are all counting on the member for High Park.

Mr. Singer: The minister read it—

Mr. Shulman: We all read it, but perhaps the press should hear about it. Because there are one or two errors that the land—why the heck did none of the members mention it if they all got the letter? I presume the answer is that they all got the letter, but I read mine. Well, all right. It's a pity that so much mail comes to various people, but it apparently doesn't filter through. Well, let's give them a second chance so they can get it. Yes, all the members have it. Follow closely as I read.

Mr. Ruston: Did the member agree with all of it?

Mr. Shulman: No, I don't agree with all of it, but they make some very good points. They make a few minor points here. Let me start:

1. The publicity concerning this Act is misleading. It is being sold as a land speculation tax when in fact it is a land and residential dwelling tax and encompasses much more than raw land.

2. At a time when it seems necessary to encourage new housing units, this tax effectively discourages the owning of units for rental other than by an Ontario Housing Corp.

Well, stop and think what that is going to mean in just a few months.

Mr. Singer: The member's colleague from Riverdale made the point earlier.

Mr. Shulman: Thank you very much. I am so impressed by the wisdom and the brilliance of my colleague from Riverdale, and have been for many years, that I try whenever he makes a point to repeat it, to give it a little more emphasis.

Mr. R. F. Nixon: The member for High Park has to repeat it because he is never here when the member for Riverdale speaks.

Mr. I. Deans (Wentworth): Yes, he has to repeat it.

Mr. W. Ferrier (Cochrane South): Just like the member for Brant in Sudbury—nobody thought he was there.

Mr. Shulman: Why is it, Mr. Speaker, I'm being heckled only from the right and not from the government benches?

Mr. MacDonald: The government benches are empty. They are not here.

Interjection by an hon. member.

Mr. Lewis: As a matter of fact, Mr. Speaker, I am reading the instant Hansard of the member for Riverdale's speech right now, and it is superb. It is superb.

Mr. Singer: Well, let it stand for itself and don't repeat it.

Mr. Shulman: The third point they make is that speculation isn't always bad. It creates a market in real estate and produces liquidity.

Fourthly, they make the point that the member for York-Forest Hill made—

Mr. Singer: The member for Riverdale is chuckling.

Mr. Shulman: —which is the matter of the flight from the dollar and the fact that inflation is forcing people to look somewhere else than government bonds and bank savings accounts to put their savings. And the logical place today—let me say it—if you wish to protect your savings, is to buy your own home or to buy a piece of real estate.

Hon. Mr. Grossman: How about insurance?

Mr. Shulman: Oh boy—no sir.

Hon. Mr. Grossman: I have got a lot of money I can borrow at six per cent.

Mr. Shulman: In No. 5 they point out the 10 per cent you allow for carrying charges is completely inadequate. Go out and try to get a mortgage today, Mr. Speaker.

Hon. Mr. Grossman: Borrow money at six per cent.

Mr. Shulman: You are going to have to pay 11, 12, or 13 per cent for a mortgage. The government is allowing 10 per cent for carrying charges. When it dreamed up the bill, perhaps it was 10 per cent—but it is not 10 per cent any more. It is not 10 per cent. Things are changing too fast.

"6. The condition requiring a 20 per cent improvement to exemption of the tax is unrealistic." And they give examples of that. I won't go into the details.

Under 7, they say, "This tax, if it is to meet a specific problem at this time, should be put on for a certain period of time." But there is a danger there, which of course is pretty obvious.

As the member for York-Forest Hill says, how are they ever going to take this tax off? Let's suppose we have a depression five or 10 years from now, perhaps one year from now, and nobody can sell real estate, and the government wants to get that tax off to encourage people to come in. Does the minister realize what happens if he takes it off as of any specific day? All those who have gone before will literally feel they have been—

Mr. Deans: Yes, without being kissed.

Hon. Mr. Meen: If there is a depression there will be no tax.

Mr. Shulman: Whether there is a depression or not—

Mr. Singer: Is that what the member is hoping for?

Mr. R. F. Nixon: That sounds like "turn down the thermostat."

Mr. Shulman: Whether there is a depression or not we will still have the tax because we have inflation.

Hon. Mr. Grossman: The commodities market is so much simpler.

Mr. Shulman: I can't explain to these people. I have tried and tried; they just can't understand it.

Hon. Mr. Grossman: Why is he reading the advice of a socialist organization?

Mr. Shulman: I made a special point of writing a letter to the member for Brant; I printed it somewhere but he still doesn't understand.

Mr. Ferrier: He is a great investor in Cara, that's all.

Mr. Shulman: You see, the one thing that the minister is ignoring—

Mr. Singer: It's a pity no one in the world is as smart as the member for High Park.

Mr. R. F. Nixon: Farmers produce the futures and he profits from them.

Mr. Shulman: That seems fair.

Mr. Lewis: Well, the whole party is sinking.

An hon. member: How come he is reading from an NDP report?

Mr. Shulman: Mr. Speaker, one of the facts of life with us today is inflation, and the minister and the government—and I guess not just this minister and this government; we have another government in Ottawa—they all have the tattoo, "Maybe it will go away. If we don't do anything about it, maybe it won't get any worse; then next year it will get better."

Mr. Gaunt: The member's party supports them in Ottawa.

Mr. Shulman: My party is no better. I confess that. We are all in this same horrible—

Hon. Mr. Grossman: Will the hon. member repeat that?

Mr. Shulman: I'll repeat that. All politicians love to get up and say, "Elect us, and we will give you more."

Hon. Mr. Grossman: Except the hon. member.

Mr. Shulman: I am not running for re-election again. There is no problem. I am the only guy in here who can speak the truth.

Hon. Mr. Grossman: I think the hon. member said that the last time.

Mr. Shulman: I am not seeking re-election. I don't have to say the things that the hon. minister has to say in order to get re-elected.

An hon. member: Does the hon. member mean he was telling lies before the last election?

Mr. Givens: The hon. member's leader looks relieved.

Mr. Lewis: Well, the member calls it as he sees it, I guess.

Interjections by hon. members.

Mr. Shulman: It's easy now; it's easy.

Hon. Mr. Grossman: Why is everybody a statesman when they are on their way out? Why wasn't the hon. member a statesman before?

Mr. Shulman: I wanted to get re-elected.

Mr. MacDonald: You know what a statesman is—a dead politician.

Interjections by hon. members.

Mr. Shulman: Inflation is going to get worse; there is no way that it is going to be reversed. The policy at Ottawa is to print more money, to live beyond our means, and the people in the government seats at Queen's Park must accept that fact and draw up their legislation accordingly. This legislation gives no consideration to that whatsoever, because the ordinary fellow, who is not a land speculator; he's not going in and out and buying and selling—perhaps he is a doctor who bought an office on Roncesvalles Ave.—

Mr. Lewis: Don't give the address.

Mr. Shulman: —and who, because of inflation, has seen the value of his office go up every year, even if there is no real increase in value. A building that was worth $30,000 last year and sells for $40,000 this year is not really bringing much more, if any more, true value to the person who sells it, because he ends up with paper money and since everything has gone up in price, that paper money will buy less.

The minister has completely ignored this whole inflation factor. Inflation in this country was running at a rate of 12 per cent a year as of last month. By the end of this year it will be up over 16 per cent. The minister is allowing 10 per cent every year to cover all of the costs, including the mortgage. It just is completely unrealistic. Well, we go on.

Under 8, they say, "If this tax brings in enough revenue, this may just be the thin edge of the wedge." And they are worried that from here the government's going to go to commercial and industrial properties. Actually, I have no great objection to that.

"9. It appears that subdivisions will not qualify for exemptions even though the services have been installed. This would mean that the original developer will have to build on the lots. What effect will this have on the small builders?" Well, the minister has heard that from everyone. I presume he is going to bring in some sort of amendment to solve that problem. How he is going to do that without completely finishing off the bill, I don't know, but let's presume he has an amendment that will do that and still leave it some teeth.

Perhaps most important: "10. This tax will encourage the raising of rents"—and I think it is self-evident. There is no question that as costs increase, and costs are going to increase, as supply lessens and supply is going to lessen, obviously the person who is in that house or in that apartment is going to be forced to pay the cost. Rents are going to go up. If the minister thinks otherwise, he is having a pipe dream.

I hope he doesn't pay any attention to the idea of bringing in rent controls because that won't work for another reason.

Mr. Givens: Bring in rent controls.

Mr. Shulman: The member knows why that won't work.

Mr. Givens: The member's party wants them.

Mr. Shulman: No, we don't. Do we? Do we want rent control?

An hon. member: Absolutely.

Hon. Mr. Grossman: Which party? He doesn't have a party. The guy hasn't got a party. He has formed a new party.

Interjections by hon. members.

Mr. Shulman: Well, let me say a word on rent control. There is only one thing wrong with rent control. Rent control is lovely.

Mr. Lewis: I knew he would come around.

Mr. Shulman: I have experienced it two or three times myself. Rent control is great. If you are living in an apartment and they say your rent from here on in is going to be at the same $100 a month you have been paying right all along, that is wonderful as long as you live there, great and wonderful. When you go, you can sell the key for $1,000 and you can make money. It's fine all the way along. There are only one or two minor things wrong. All apartments stop being built. There is no reason to build any more. How can you when it becomes non-economic?

Interjections by hon. members.

Mr. Shulman: If you exempt new buildings from it, what happens is that the old buildings become slums because they are not maintained. What is the point of putting money into maintaining it when you are not making any profit? Ultimately we get a New York City or a Chicago or a Philadelphia where landlords walk away from the buildings and they become gutted wrecks.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): I bet the member is going to go back in the stock market.

Hon. Mr. Grossman: What does the minister mean "go back?" He never left it.

Mr. Givens: Has he looked at the stock market lately?

Mr. Shulman: When I go back, it will recover itself.

Hon. Mr. Grossman: He is going to invest in dentures.

Mr. Shulman: All right, their tenth point is the tax will encourage the raising of rents, and I don't think anyone can possibly argue that. I mean it's just plain common sense that six months from now or a year from now, if the government foolishly goes ahead with this tax apartment rents are going to be considerably higher right across the province.

11, they recommend that apartment buildings should be considered commercial enterprises.

12, they recommend that all income-producing investment properties, except single family dwellings, be exempted.

13, they recommend that single family residences be exempted, provided they are held for a period of three years or more.

14, and again this is rather an important point and is of some interest—

Hon. Mr. Meen: What does the hon. member for High Park think about that suggestion?

Mr. Shulman: 13 or 14?

Hon. Mr. Meen: The one about three years.

Mr. Shulman: I think one should have a graduated period of time. I think the member for York North had a pretty good idea where you graduate, that depending on the number of years that you hold the property, the tax be reduced accordingly. I think that's just plain common sense. I presume that's one of the minister's amendments. If it isn't, it should be.

There's a disadvantage to that, though. I hope the minister realizes what the danger to that is, that it is encouraging people to keep land off the market, because if the longer they hold it, the less tax they have to pay, there is a great inducement to keep the land off the market. So there's another trap the minister better think about before he jumps into that particular hole.

An hon. member: Then we will put the realty taxes up.

Mr. Shulman: Okay, put every tax up; that's a good rule to suggest.

14, they suggest exemption from the speculative tax of any person or company which buys raw land and develops it. This is one of their key points that they are making here. There's a great temptation to follow their suggestion but if the minister does he has gutted the bill. There's nothing left.

This is what that socialist organization in Hamilton was suggesting. I don't agree with a number of the points they make, for very obvious reasons, but I think they have to be said because a lot of their points are valid. A lot of the points that have been raised here by various persons that I have heard speaking are valid. What it really finally boils down to is that the government is not going to catch the people it thinks it is going to catch. Nobody is an idiot. No one is going to pay a 50 per cent tax to the minister and another 50 per cent tax to the federal government and end up making nothing. Why should they? What they are going to do, wherever possible, is steer out and steer into things where they will avoid this. Don't build this—

Hon. Mr. Grossman: It is not there to catch people. It is there to develop more land for housing.

Mr. Shulman: But it isn't going to do that.

Mr. Lewis: That's right. That's it. Some day they will understand that over there. Maybe they never will.

Mr. Shulman: I am delighted—

Mr. Lewis: What is the point in this bill? It won't do it.

Hon. Mr. Grossman: That is a matter of opinion.

Mr. Shulman: —that the minister has gone on record as saying that that's what they want to do.

Mr. Lewis: So has the Minister of Revenue and so has the Treasurer. They have all gone on record.

Mr. Shulman: I am glad they are on record, because if that is what they are trying to do, they had better hold that election fast.

Mr. Lewis: That's right.

Mr. Shulman: A year from now they are going to have an awful lot of red jam on their faces because there is no way that that can encourage anyone to build.

An hon. member: Right, the government shouldn't try. Is that it?

Mr. Shulman: It should try, but try intelligently.

Mr. Givens: The government is 10 years away from development.

Mr. Shulman: Perhaps it is not sensible to ask the minister to proceed intelligently. I think he should bring in a bill to do exactly what he wants to do, and this bill is not it. This bill cannot do it. This bill is going to do exactly the reverse. It is going to increase the cost. It is going to increase the rarity. It is going to decrease the number of people who will be able to buy their homes. When I see what the government's purpose is and when I see how it has tried to carry it out, I fear for it. I fear for the government and I fear for all of us, because the housing crisis is going to affect us all. The other members have all gone on record, now I want to go on record.

Hon. Mr. Grossman: It's a courageous government.

Mr. Shulman: I have one piece of advice to give the government: It should hold its election fast, because my prediction is that a year from now housing is going to be much scarcer and much more expensive by at least one-third across this province, and the government's bill is going to do it.

Mr. Givens: And I'll give odds on that, too!

Mr. Lewis: Yeah, the government is really speculating in land with this bill.

Mr. Shulman: They can save themselves yet. There are two ways they can save themselves.

Mr. MacDonald: It's even more misconceived than the energy bill, though it isn't blowing up in their faces as dramatically.

Mr. Shulman: Not as quickly. There are two ways they can save themselves: One is to hold a real fast election, because the public has been fooled and the press has been fooled. There is the foolish representative of the press.

Mr. Deans: No, no. There's the representative of the foolish press.

Mr. Shulman: Pardon me, the representative of the foolish press. Sorry, I got it wrong.

The government has managed to fool the public and it has presented a very pretty package. If it holds its election fast it'll come back in, it'll have its government again, and it'll have carried it off. But if it waits, they're going to find out.

There's another way the government can get out of it.

Mr. McIlveen: The member won't be running any more.

Mr. Shulman: No, I'm going to watch from the sidelines and cheer everybody on—at them all.

Mr. McIlveen: There'll be another Conservative from High Park.

Mr. Shulman: I would doubt that very much.

Mr. Lewis: No, no there won't.

Hon. Mr. Grossman: Knowing the member, he'll be selling apples on the street.

Mr. Shulman: Jeer and cheer.

There's an easier way, you know, because elections are nasty things and some of the members might even be beaten and this would cause great regrets all around. We would hate to lose any of them from this august company. They all fit in so well!

Mr. Lewis: Not to mention some on this side of the House.

Mr. Shulman: There's another solution. Instead of a vast election why doesn't the government do the sensible thing, and I suspect it knows it's the sensible thing even though it can't even give me a nod of agreement. The sensible thing is take the bill out—quietly say, "We're going to reconsider it." There's nothing wrong with a government admitting they've made a mistake and that there's a better way of doing things.

Hon. Mr. Grossman: The member really thinks we should do that, does he?

Mr. Shulman: The government has done it before. It has said: "Look, this bill requires more consideration. Let's take it back." Because it can do what it's trying to do.

Mr. Givens: Put your seatbelts on.

Mr. Shulman: It can do what it's trying to do without crippling the housing market, and without crippling the land market in the province—if it just gives its people a little more time. They're now aware of what the government wants to do. What it should have done is very obvious. It should have come and said, "Look, we want to bring in a bill that does the following," and said it publicly. It should have said, "We're going to hear from any delegation that wants to for two or three months," or a reasonable period of time, and it wouldn't have run into all this nonsense.

But it's not too late. There is nothing wrong with saying, "Look, we've listened to the opposition, we've listened around the province, we can improve things." Don't be stubborn; don't be foolish, because the government is really cutting its own throat plus that of all the people in Ontario who want to own a home.

Mr. Lewis: That's right.

Mr. Shulman: I can see by the frozen face on the minister he's not going to follow my advice. So, all I can say—

Hon. Mr. Grossman: Every tax collector looks like that.

Mr. J. E. Stokes (Thunder Bay): The provincial secretary knows, eh?

Hon. Mr. Grossman: No feeling, no emotion.

Mr. Lewis: That's right.

Mr. Stokes: He's had the experience.

Mr. Shulman: I think perhaps the minister has a slight feeling of unease just about now.

Mr. Lewis: I hadn't noticed it.

Mr. Deans: It's just because he's been sitting for an hour.

Mr. Stokes: It's those tacks he's sitting on.

Mr. Shulman: I predict, Mr. Speaker, the minister is going to ruin the housing market in the province, and the election a year hence will be fought on his mistake.

Mr. Lewis: That's right. That's right.

Mr. Shulman: And it may very well be that he—and it's quite unfair, it should have been that other fellow who's in Europe—but it may very well be that he will be the minister who ultimately goes down as the man who destroyed the Tory government and brought into power some other party. If so, at least his name will be in the history books—and with that thought I leave him.

Mr. Givens: That'll be known as the Meen test.

Mr. Speaker: The hon. member for Peel South.

Mr. Lewis: Land and housing, those people opposite can't cope with.

Mr. Kennedy: I wanted to—

Mr. MacDonald: Is the member going to talk about the land transfer tax?

An hon. member: Go after them, bulldog.

Mr. Kennedy: Not right now. The member doesn't understand it even yet.

Mr. Lewis: This bill will destroy the housing market in Ontario. There'll be nothing left of it after this.

Hon. Mr. Grossman: Who said there wasn't any before?

Mr. Kennedy: Mr. Speaker, my—

Interjections by hon. members.

An hon. member: —the greatest housing programme in North America.

Mr. Speaker: The hon. member for Peel South has the floor.

Mr. Lewis: Well then, let him speak, for God's sake, if he has the floor.

Mr. Kennedy: I think I lost a double turn, Mr. Speaker.

I think my colleague, the minister from St. Andrew-St. Patrick (Mr. Grossman) expressed the thought. The idea is to put more lots on the market. No question about it, that's what the intent and the thrust of this bill is. Last year it was omitted by the opposition, who are the NDP, to acknowledge in describing–

Mr. Lewis: None of that.

Mr. Renwick: This has to stop.

Interjections by hon. members.

Hon Mr. Grossman: Excluding the member for Lakeshore; pardon me, the member for High Park.

Mr. Kennedy: All right. I'll tell members who I included. The member for Riverdale mentioned something to the effect of a disastrous housing policy.

Mr. Lewis: Absolutely.

Mr. Kennedy: Yes, but I think the member should be reminded that the 110,000 dwelling units that were put in place in this province last year was the greatest ever in the history of the province.

Mr. Lewis: A mere pittance.

An hon. member: A pittance.

Mr Kennedy: And that's a disaster? Onward and upward every year

Mr. Lewis: It's nothing. The government is 150,000 units behind and this bill will put it further behind.

Mr. Kennedy: It's still more than ever and this is designed to assist.

Mr. Renwick: The government can't even keep pace with the climbing birth rate.

Mr. Kennedy: But I'll say this, Mr. Speaker –this bill needs something to accompany it. My suggestion is that concerted action on the installation of services by the various levels of government, whichever ones are involved, would provide a double whammy which would achieve the objective. I don't think a suppressant without the encouragement of the real installation of these services will enable any programme to go forward.

Like the other members, I've had some inquiries and observations about the bill, mostly, initially and subsequently, with respect to concern for the small builder. I think it's been quite well discussed here and I don't think there is any need to add anything. We want more lots available for the small builder and every other type of builder, not fewer.

Mr. Stokes: The small builder says he is not going to get it.

Mr. Kennedy: Pardon?

Mr. Stokes: The small builder says he is not going to get it.

Mr. Kennedy: I know he does, and what we want to say is that he will.

Hon. Mr. Grossman: We'll look after him.

Mr. Kennedy: We want to design this bill and the regulations that accompany it so that he will get more lots. This is the whole object of it.

Mr. Young: Why didn't the government do it before the bill was brought in?

Mr. Kennedy: As I said on the previous bill, fools and bairns shouldn't see things half done.

Mr. MacDonald: This bill certainly is half done.

Mr. Young: Why didn't the government do it then?

Mr. Kennedy: I don't see any bairns, Mr. Speaker.

One thing that bothers me is land which is potential development land being held out of use through inappropriate zoning. The zoning has to be changed. Although the owner, the person holding this land, may be working toward this end as diligently as he can, it hasn't had approval for the desired zoning, perhaps by virtue of the fact–or lack of virtue of the fact–there aren't services, or for whatever reason. During this period of time escalation is carrying on and this person who would sincerely want to bring this land onto the market cannot do it, not because he is holding it and waiting for escalation but because it is something presumably beyond his capacity to get rezoned.

I've also had some concern with respect to commercial and industrial land which is exempted according to the explanatory notes. A situation I know of concerns a block of some 118 acres with a low assessment; services are nearby, adjacent, ready to go; the owner is presumably holding the land. He is

not putting it on the market and there could be any number of reasons. I can—

Mr. R. Haggerty (Welland South): Low assessment.

Mr. Kennedy: It could be low assessment; it could be waiting for a further hike in value; and what I think is a significant reason probably is as a tax haven. Without this bill there is, of course, the corporate tax—

Mr. Givens: The income tax.

Mr. Kennedy: Yes, the corporate income tax, that's right; the corporate income tax and capital gains tax.

Mr. Givens: Why should that be exempt from speculation tax?

Mr. Kennedy: That's a good point; that's what I'm talking about.

Mr. Givens: That's the point I raised.

Mr. Kennedy: That's a good point and the member did raise it.

Mr. Givens: All right; that's the point I raised and that's what a lot of people think now.

Mr. Kennedy: I intended to make reference to the member's remarks, which I listened to very attentively.

This particular block of land, as a matter of fact, has a lower assessment than a five- or six-acre greenhouse, the owner of which has been there for a number of years, struggling to make a living in that field of endeavour. He's assessed two or three times as much per acre as the man I mentioned before.

As one goes up the street—it is Dixie Rd. I speak of—there are indications of blocks of land held there. There is a crying need for industrial land, and yet for numerous reasons this isn't coming on the market. I think situations such as this should have some examination.

Mr. Stokes: How is this bill going to do anything to help?

Mr. Kennedy: Pardon?

Mr. Stokes: How is this bill going to affect it?

Mr. Kennedy: It isn't; this is the point I'm making. I think we have to go a bit further and have a look at these situations.

There are also other blocks of land which they want to bring on the market but perhaps the services aren't there. There are potential services and the escalation taking place is based on potential value; and of course that is what speculation is all about.

Another sale was brought to my attention. I know over the course of the last couple of years we've heard of cases where land is bought and sold almost overnight with a great hike in price. This is a case—in Oakville, I think it is, the legal description isn't that precise—where 150 acres were sold on June 21, 1973, and the price was $1,119,025 which is at the rate of $7,460 an acre. It was resold two months later—the date of registry is Aug. 31—for the sum of $1,715,880; which is an increase of $596,000—say $600,000—on this piece of land in two months.

The price per acre therefore went from $7,460 to $11,439. This isn't unique. I don't have the detail as to the zoning, unfortunately, so I don't know what transpired here; but $600,000 in a couple of months isn't bad.

Obviously these people aren't in this business for their health. One has to take into account, and I'm sure they did, income tax, corporation tax, capital gains, the whole bit. Although the hike is $600,000, I wonder what the true profit to the vendor is? It will be interesting to know if there has been a subsequent sale and what's happened in that situation.

The 150 acres is still there. It has served nobody except perhaps the federal government with the tax revenue it would receive from it and, of course, we don't need to bleed for the principals in it either, I wouldn't think. It is this type of thing, I suggest, Mr. Speaker, that this bill is aimed at.

The members have mentioned certain complications, and we've picked things out which have been brought to our attention—

Mr. E. Sargent (Grey-Bruce): Tell the Minister of Agriculture and Food what the member said about him.

Mr. Kennedy: Pardon?

Mr. Sargent: Tell the minister what the member said about him.

Mr. Kennedy: He's the best minister we've ever had in the field of agriculture.

Hon. W. A. Stewart (Minister of Agriculture and Food): I'm glad the member was reminded.

Mr. Kennedy: That's what they said. I'm glad the member drew that to my attention.

Mr. Sargent: It wasn't good.

Mr. Kennedy: So the principle of the bill, Mr. Speaker, is sound. I've pointed out some things that are bothering people, some of the technical details of it. I again suggest that it has to go in concert with other aspects of the development of housing. The intent is to bring more lots onto the market, not fewer lots. And it is not to inhibit, or penalize or suppress the development or the production of housing for the people of Ontario.

Mr. Singer: Is that what the statute says?

Mr. Kennedy: Right, right. And that's what it's going to do.

Mr. Singer: Is that what the statute says?

Mr. Good: Mr. Speaker I'd like to speak briefly on the principle of this bill.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): He would be the last one to let Downsview down.

Mr. Good: It is apparent in the Kitchener-Waterloo area that land prices have gone beyond reason especially land that is required in the immediate future for residential purposes. This is the sad part of the situation in the Province of Ontario, Mr. Speaker, because that land which is needed most for the development of residential units, both single family dwellings and multiple, high-density buildings, has inflated beyond all rhyme and reason. I would like to just quote from the Kitchener paper and to say at the outset I agree with the principle of trying to do something to take the middleman out of the land business, that is the speculator. I would like to make a few references to what has happened. Here is a quote:

> In the twin city area at the present time, housing costs have risen to become the third highest in Canada, exceeded only by Toronto and Vancouver.

This situation, Mr. Speaker, is not right. Something is drastically wrong. I would like to try to relate a little bit of what has caused this. The figures shown in the release of last fall are somewhat old, but they do give the average amounts that housing costs in the three most expensive municipalities in Canada. Vancouver they show at $38,562; Toronto, $41,264; and Kitchener-Waterloo, $35,831.

Now, since last fall, Mr. Speaker, these figures have escalated considerably beyond that. But there's no reason why a municipality—a relatively small community in comparison to some of the larger municipalities—should be living under the pressure that we are living under in the development of single family lots in the twin city area.

One of the reasons for this, of course Mr. Speaker, is that there are what the local papers describe as five "power blocs" controlling 80,500 acres of land surrounding the twin cities. These five power blocs are made up of companies with interlocking directors. In all, there are about 29 companies, many of which own only one small parcel of land. That is, a few small companies will own one farm, maybe two farms, so that numerous small companies have been developed and make up five large syndicated groups which own most of our development land.

These five companies owning 8,500 acres of land own all the effective development land around the twin cities; and because these development companies have bought up so much land, they find their holdings costs have escalated proportionately. The reason given as to why they have to keep so much inventory of land is that they're trying to get a jump ahead of the speculators. And when a development company has to buy from the speculator a piece of land which has been turned over two or three times in the last two or three years, the development company is then the victim of speculation in the same way as anyone else.

I think we must agree, Mr. Speaker, that those who are legitimately in a development business do need an inventory of land. It is the basis on which they can keep in business. With the length of time which is required to bring a subdivision on the market from the original stages, it would be ridiculous if a development company that develop lots either for sale or for building didn't have a proper inventory of land.

Mr. Young: The province owns enough up there.

Mr. Good: The reason given, of course, is that they must buy so much additional land to try to keep ahead of the speculators.

One of the largest speculators in the area has been Ontario Housing Corp., which owns something around 3,000 acres of land on the one side of twin cities and another 200 or 300 acres on the other side. This land has been held for a considerable time. It was all class 1 farm land. It cannot be serviced presently. 'It has been held for about six years, but it has had a terrific effect on driving up the prices of land, especially the 3,000-acre parcel which is in the vicinity of the airport.

It has, of course, set off a flurry of land buying in the Waterloo-Wellington airport vicinity and the price of that land, which could be developed and probably will be, eventually, for industrial as well as residential use, has been driven up considerably beyond what is practical for normal development.

Statistically, Mr. Speaker, one parcel of land was bought for $41,000, resold for $81,000, and sold again for $155,000. Another parcel of 150 acres showed a profit of $1,492,000 as it changed hands. Another parcel showed a profit of $557,000 as it changed hands—not to developers, but from one owner to another owner before it ever arrived in the hands of a developer. Another parcel showed a profit of $1,200,000 and it has now been sold to a developer. Another parcel showed a profit of $603,000.

The final example, Mr. Speaker, is a parcel of land which was first bought for $150,000, resold for $372,000 and again it has been resold for $650,000; and it still is not in the hands of a developer who is going to bring it into service. So here we find the developers bemoaning the fact they have to pay so much for their land for the simple reason people are turning it over, shuffling paper and issuing cheques as the hon. member for Downsview said, without adding anything substantially.

In principle, I agree there must be something done to discourage people from simply turning over land as a form of investment. I think we must look at the whole matter of speculation. Most of the speculation in the Province of Ontario, I think, is done in two areas: First on recreational property, waterfront lots; and secondly on residential land which eventually will end up as housing lots. Granted we can't create any more waterfront land in the province. There is only so much waterfront land in southern Ontario and the demand for it is exceedingly great.

The demand for residential land is also exceedingly great but something can and should have been done, and I hope will be done, to increase the supply of residential land which will cool down the speculation fever. Nothing can be done to—

Mr. Singer: Where is the legislation to do that? The minister shouldn't wave his hands because the government is not doing it.

Mr. Good: Nothing can be done, Mr. Speaker, to increase the supply of recreational waterfront land, so we are going to have to deal with a situation where we have three buyers chasing every cottage lot; even if one can be found, which I doubt. But why we don't see brought before us legislation which would drastically increase the number of serviced lots and the amount of land brought in for development, I am at a loss to understand.

Mr. Speaker, any investment with a 10 per cent return will double itself in about 7¼ years. A few years ago we would have called that an exorbitantly high rate of return on an investment. When interest rates were five and six per cent we talked of 15 to 17 years to double one's money.

Speculation is in the mind, the social conscience of the community, as to how fast one should get a return on an investment. When one makes an investment and gets a proper return, no one thinks anything of that. And it is not too many years ago when doubling your money in 15 years was considered a reasonable and socially accepted investment. Now we find that at 10 per cent one can double money, with compound interest, in about 7¼ years.

Mr. Sargent: Or be a member of the cabinet. Either one.

Mr. Good: Well, one is as good as the other, yes.

We find that even at 10 per cent, an investment is not a very good hedge against inflation, as we have seen in the last few years. All one is doing is keeping even with inflation. One is not building up one's equity to create buying power any greater than what one had at the beginning of the term of investment.

So, we have a graduated scale here, where we say if a person makes money at the rate of 10 per cent and doubles his money in 7¼ years, perhaps that is socially accepted; but if a person invests in something and doubles his money overnight, one wonders whether our society can accept increases in investment and return like that.

As the leader of my party has said, people have turned to land, looking for that quick investment. First, I think many people turn to land as a hedge against inflation, and rightly so, as I said in my contribution to the Throne Speech debate. But every person in the province who wants to should be in the position that he can buy his own house, because it is the only hedge against inflation on which he can really count. But we don't even have, in this province, that condition where each person can buy his own house.

Mr. Singer: He can't afford it.

Mr. Good: That is the sad part of this whole land and house situation, that the supply has not been equal to the demand. And the responsibility for this situation—

Mr. Haggerty: It lies over there.

Mr. Good: —has to rest on the shoulders of the government, which has been completely directing land-use policy across the province in the last number of years.

Mr. Singer: Right. To their great shame.

Mr. Ruston: Five years.

Mr. Good: If we say that it is socially acceptable to double one's money in a certain period of time, but it is unacceptable to double one's money overnight, then I think that the idea of a graduated tax has great merit. If one is to invest in GICs, bonds, land, an art treasure, diamonds, jewellery or gold, no matter what, I think that in our present system a reasonable return on his investment is quite acceptable.

If that return on investment, whether it be land or be something else, is beyond what is socially acceptable, I think an increased tax of 100 per cent, 90 per cent or 80 per cent, down to what we consider to be the proper return, would be acceptable by people in this province. I think the day has gone when we say: "There's a smart cookie. He made $100,000 overnight." I think many of us are ready to accept that, because we find that the method of taxation must be related to the return to the individual.

It's going to be a very interesting point, how one handles the profit, with a 50 per cent provincial excess profits tax, a federal capital gains tax, a federal income tax and the profit goes to charity. I don't know how one would handle a situation like that.

Mr. Singer: When you get up to 112 per cent, there's no problem.

Mr. Good: Mr. Speaker, there are things in the bill that concern me a great deal. When we look at the exemption clause, we find that sale of land by a corporation that is winding up its affairs and dividing its assets to shareholders is exempt. I wonder if that provision (c) will leave the door open for many small companies to be formed simply to speculate on land, sell their one parcel of land and distribute the profits to the shareholders.

There are, as I mentioned before, 29 individual small companies that are recorded in this one article in the Kitchener paper as owning small parcels of land, and some larger parcels of land. It is a very simple matter to take a profit, wind up the company, distribute the assets and start over by incorporating a new company. Any lawyer will do it for you for $500 or $700; maybe it's a $1,000 by now, I don't know.

An hon. member: Hey, wait a minute, wait a minute. Don't go—

An hon. member: Don't go setting fees.

Mr. Good: All right.

Mr. Singer: Well, it all depends on the circumstances.

Mr. Good: So I think that section (c) is a loophole which will have to be plugged and I don't understand the reason for it being there, Mr. Speaker.

By increasing the values of land by 40 per cent or more to evade the tax, I think that is also a loophole that could be abused. It would be a simple matter to buy a partially completed house. And believe me Mr. Speaker, the speculation on completed houses in our area has just been something unconscionable. Houses have changed hands, without anyone living in them, for $10,000 or $12,000 or $15,000 more than the sale price by the builder.

The city of Kitchener had to apply for private legislation to prohibit the speculation on houses which are built as the city's special development houses. These are houses serviced to a lower degree and sold at a fixed price. So we find there is speculation, not only on raw land but also on housing.

I think the tax could be evaded quite successfully if one were to buy a partially-finished residential house at a price lower than the sale price, then spending 40 per cent of that price by putting on the roof, putting in the plumbing and the wiring and the heating, and then selling—having added that much to your purchase price you could evade the tax.

Hon. Mr. Grossman: Come on.

Mr. Good: Someone will be doing that before this bill even gets cold and the ink dries on the paper.

I think, Mr. Speaker, there are other things that show great deficiencies in this bill. One with which I am concerned, of course, is what is going to happen to the small builder who is in the habit of buying 10 or 15 lots a year from a large developer. We have numerous examples of that in the twin cities, where the major developers will sell ten lots or a

part of subdivision to one builder, another street to another builder. This goes on and on and that is the only source of supply for those small builders. And if they are prohibited from doing this, Mr. Speaker, you will find that a lot of small builders will be put right of business; because in the twin cities today it's impossible to buy a lot and build your own house. You have to buy it as part of a building contract.

Mr. Singer: Right.

Mr. Good: And this government is going to destroy that whole business.

Another thing, Mr. Speaker, I think the minister should also give serious consideration to people who presently own parcels of land on which a registered plan of subdivision has already been approved.

I am thinking of the case of a widow who called me two weeks ago. She has a registered plan of subdivision in a recreational area, and it is her purpose to sell two or three lots every year as long as she lives as a source of income. It took this woman and her husband about six years to get this plan approved. Her husband, unfortunately, passed away last year.

Mr. Singer: Is that the new speed-up they have over there?

Mr. Good: She got the approval last December and is ready to sell a few lots each year. There is no way she wants to get involved in building cottages or houses on these lots. People who buy these lots from her invariably want to build their own cottage or retirement home. I think that there should be an amendment written into this legislation to protect the person in that situation. And also to protect the person who wants to do nothing but go through the nightmare of trying to get a registered plan of subdivision approved and then sell the lots. I think on the original sale there should be some exclusion made from the tax.

I understand the purpose of the bill. I wish the government success in trying to make it work. I think it is going to be a nightmare, but I hope it does achieve the purpose for which it is intended.

Mr. Lewis: Well, if it is going to be a nightmare, why is the member supporting it?

Mr. Good: Because it is the only thing that has been brought forth that might happen to work.

Hon. Mr. Stewart: That is right.

Mr. Lewis: The member heard what the member for York-Forest Hill said. How can it work?

Mr. Singer: The member for Scarborough West is on the wrong side of this one.

Mr. Speaker: The hon. member for Windsor West.

Mr. Lewis: Oh, come on.

Hon. Mr. Grossman: He miscalculated this one.

Mr. Givens: The leader of the NDP should listen to the member and hear his speech.

Mr. Lewis: Never have we been so virtuous as on this bill.

Mr. Speaker: Order, please. The member for Windsor West has the floor.

Mr. E. J. Bounsall (Windsor West): Thank you, Mr. Speaker. The purpose for the government bringing in a bill of this kind is one which we would normally support here in the New Democratic Party. That purpose, as stated by various members on the opposite side, is to make more land available for housing at reasonable prices.

Mr. Lewis: That's the principle.

Mr. Bounsall: That is the purpose and principle of this bill. However, this bill, An Act to impose a Tax on Speculative Profits resulting from Disposition of Land, fails abjectly to achieve either objective. In fact it defeats the purpose and that is why we on this side find it difficult, if not impossible, to vote for this bill.

Mr. Givens: That is not what the member told the Windsor Star, though.

Interjections by hon. members.

Mr. Bounsall: We will make it very clear what was told.

Mr. Givens: That's not what it says in the paper.

Mr. Bounsall: We will make it very clear.

Interjections by hon. members.

Mr. Bounsall: If the member would like to stay and listen we will make it very clear what was said.

Interjections by hon. members.

Mr. Speaker: Order, please.

Mr. Bounsall: Mr. Speaker, this party and I are not for speculators in any way, shape or form.

Interjections by hon. members.

Mr. Bounsall: I have not seen the article referred to in the paper, the Windsor Star. If that is what is quoted in that Windsor Star, that is not what I said. We all know in the Windsor area that from time to time, particularly on matters of this sort, the Windsor Star is not completely accurate.

The bill, in order to achieve this purpose, is going to try to remove speculators from the land business, or is going to attempt to remove the speculative profit from land. We all know who we mean by the speculators here. They come very readily to mind. They are those few wealthy individuals or speculative companies who buy land and sell it for a higher price without creating any improvement at all on that land—often they get a much higher price—making a very quick and unconscionable profit from this. It is all reflected inevitably and finally in the cost of the housing which gets built on that land, the cost of the entire unit.

Often the speculators trade and sell land to each other, between companies which have interlocking directorates, with no improvements done at all upon it, rapidly escalating the price of that land. All of which is passed on finally to the prospective home purchaser.

I firmly believe that this bill will not achieve the result of making either more land available or land at a reasonable cost let alone a lower cost.

The large speculator, of course, will always find a way around this bill. The large speculator, for example, holding land worth $300,000 or valued at that or even purchased since April 9 at that value, and anticipating selling it for $500,000, looking at the 50 per cent speculative tax, will simply say, "Okay, I'll sell that land for $700,000. I'll still get my $200,000 that I want to get out of this." He will sell it for $700,000. In no way is that going to cause this land to be available for building at reasonable prices but it will push up the price in this example by another 40 per cent.

The bill itself requires that improvements be made on the land such as buildings built on the property. Another way around this bill, of course, is for the speculator not to sell the land. He enters into arrangements with the builders to whom in the normal course of things he would sell the land on which they would build. He enters into agreement with those builders. He doesn't sell it to them but agrees with them that they will build on that land and the unit gets sold for whatever the speculator wishes the land to be evaluated at at the time. What happens to the builder, especially the small builder? In order to get land on which to build—and he does not wish to go out of business—he will enter into whatever agreement he has to enter into with the person who owns the land in order to perform his service of building the house. This really makes him nothing more than an employee of the land speculator. That's an untenable position for the home builder to find himself in. He will become forever dependent upon the large speculator, much like the managers of the Becker Milk stores.

In terms of availability of the land, where is the small builder going to get that land this summer? Members all know that since the budget was introduced there hasn't been one speculator or that much land at all has become available in this province. If at this stage the small builder has not already got his land on which he was planning to build his units in this coming building season, he is not going to get it. He won't get it until this bill is passed with all the amendments which I wish we had before us to consider.

Until this bill is passed with those amendments, when they have been thoroughly threshed out in committee—and I hope this bill will certainly be sent to a committee outside the House so we can do just that—no land will become available throughout this entire period. When the bill does go through third reading in its final form there is going to be a further delay while the large land holders decide how they can get around paying this tax.

In the meanwhile, no more land becomes available. The small builder is not going to have any more land on which the build in this particular building season.

There are several other things which bother me because with the way the bill is written one can't define the difference. One cannot draw a line. What about the small, individual person? The member for Waterloo North mentioned one in his remarks—the widow who has decided to sell off small lots, having acquired a subdivision, in order to sustain her for the rest of her life.

What about the small operator of that sort, who has land, and goes through the expense and the time of getting a subdivision approved on that property? Normally that's all they do and they have provided something of

a service in so doing. There are many—I don't know how many—but the small people involved in this situation must be quite numerous. These aren't the big speculators we are talking about who have shuffled paper back and forth between companies, reselling and buying the same land and making great profits from it. These are small people who have a small number of lots available, who have got the subdivision and are now hoping and expecting to sell them off. They are caught in this bill.

So also are the persons, I gather there are a goodly number of them around the province, who have been in the business not of making unconscionable profits but of buying land which has been subdivided and putting in the services. These persons, in turn, sell it to the small builders in various bits and pieces. This, by and large, is the way building has been done in Essex county, as I understand it. One person is involved in the subdivision who sells it, but not at an unreasonable profit, to the person who puts in the services; he in turn sells it, but not at an unreasonable profit, to the builder.

The small builder is also concerned not just over the unavailability, to him, of lots this year and the delays in lots coming on the market for him to purchase, he is concerned about the first point I mentioned. That is, the large developer or the large speculator who has already made his profit after he's added on the 50 per cent. Land will come into the small builder's hands and he knows full well, because he builds only five, six or seven houses a year and he's close to the persons who are buying these houses, that with interest rates being what they are and with an escalated cost of land in that building unit he just will not be able to sell that finished product now, which he has heretofore been able to do.

The minister needs very much to consider in the bill some way in which he cannot rule out entirely the small individual who has been engaged in essentially this type of what we would call services, and at the same time stop what we would all like to stop, the large speculator. But there is in this bill as far as I see it no way that one can draw that dividing line.

Perhaps the minister can tell us in some detail how one is going to ascertain the fair market value price for a piece of property, the valuation day being April 9. I would be most interested in the minister's explanations of how he is going to arrive at that particular value for a piece of property already owned.

In terms of a bill that should be brought in, the only way that I can see that we would achieve getting more land on to the market at reasonable prices is to take the attitude that land must be a social resource, not a profit-making commodity at all, which could be bought and sold in the marketplace. For that to occur, a completely different bill to achieve these ends is necessary.

I think the government has got to get involved, to go out and carry through its oft-stated policy of land banking. But the government has to do it on a sufficient scale around the province that large amounts of serviced land become available. The land bank would be paying for that land—simply original cost plus reasonable holding costs. The government then says that that land gets serviced by the various companies around this province who are in the business of servicing land. The government then puts those lots on the market for sale based upon those costs.

There is no profit being made by the government in that situation and that land would then become available on as large a scale as the government wishes to engage in the programme and at a price which is reasonable. Until there is a bill I can see which is workable, which this bill is not—a bill which is based upon the principle that land is a social resource and not a commodity to be bought and sold and traded in the marketplace—I will have to say that I cannot support this bill in this form. Thank you, Mr. Speaker.

Mr. Riddell: Although I agree with the member's philosophy, one should never kick a bleeding dog.

Mr. Speaker: The hon. member for Eglinton.

Mr. Reilly: Mr. Speaker, I find myself in agreement with many of the comments that have been made by members of the opposition—even by my good friend, the member for High Park.

I find there are a number of things that have been said that I could support. Basically I think the bill itself is long overdue. I believe in the philosophy of this particular bill to impose a tax on speculative profits on lands that haven't been improved. I think there is a lot of merit in this. I think the government has introduced a worthwhile bill but I think it is full of loopholes. But we have to start somewhere and we have started somewhere.

The member for Waterloo North indicated a number of instances from the standpoint of increased costs of land. If for no other reason, I should judge, he would support this bill.

It is not only in a metropolis like the city of Toronto and its environs where speculation occurs. I know of one instance where property changed hands five times, each time with increased profit, without anything being done on the land. This can happen not only in the city of Toronto but in an area like the city of Peterborough. There was a case there where the price started at $45,000 and went to $90,000 to $300,000, to over $600,000, and not so long ago the land sold at $1.3 million. Nothing has been done with the property except exchange it at a profit.

Mr. Riddell: Sounds like a Tory speculator.

Mr. Reilly: Yes, well there is nothing wrong with certain types of speculation in my book. I think that this is the wrong thing about the entire bill. The bill has been too encompassing. It started out with a large net and it caught too many fish.

Mr. J. R. Breithaupt (Kitchener): Mackerel, likely.

Mr. Reilly: If it had started out and got the speculator, I think everybody in this assembly would be happy. But it hasn't done that. It has done more than that.

Mr. Speaker, at supper time tonight I received a telephone call from a constituent in my riding who said, "After the last war I took some of my proceeds and I put them in a fourplex. I didn't want to put them in a GIC or a GSC or a bank deposit and I don't invest in the stock market, but I did think I would put it into some kind of revenue-producing, income-producing property." Since that time he's done it two or three times. You may call him a speculator, but surely that isn't the kind of person that you want to get in this net?

Mr. Breithaupt: That's exactly it.

Mr. Reilly: Now, this man told me that he often would go down to that fourplex in his own time and do some odd repairs, making good, painting, doing whatever was necessary to save himself costs but increasing his investment. Now, unfortunately our bill encompasses many of these people who aren't putting it in from the standpoint of a speculator but actually are trying to provide an annuity for themselves.

Mr. Givens: That's right.

Mr. Good: The government won't have to keep them.

Mr. Reilly: That's right and in that particular case he said to me, "I haven't asked for welfare and I am not asking for unemployment insurance and I am not asking for government assistance. What I want under these circumstances is a right to live with certain dignity. I want to, under these circumstances, invest for my future and prepare for it," and there is no reason why he should be denied that right.

In my view, Mr. Speaker, there is a difference between that man and a person who buys a piece of property and six months later sells it at a tremendous profit. I think you should make a difference between him and that man who has a piece of property and has held that property for one year, or for five years, or for 10 years, or for 25 years. I think there's a definite difference between the man who buys it and holds it for a period of time and works on that land and uses it for an annuity than the person who comes along and comes in for the first month, sells it six months later, and somebody else moves along and sells it maybe three months after that.

I think that if I knew what the amendments were perhaps I could go along with the other members in this House. They don't know what the amendments are. What I can't understand for the life of me is that the members of the New Democratic Party don't support such a bill as this. I would have judged that under the circumstances they would be the first to endorse this principle.

Mr. R. Gisborn (Hamilton East): The member wasn't listening.

Mr. Gaunt: The speculators' party.

Mr. J. Dukszta (Parkdale): The member doesn't understand the conception.

Mr. Reilly: Many of the points have been expressed here. It isn't necessary for me to repeat them now. You know the effect that it has on a person who invests money in an apartment block, not a large speculator, maybe 12 suites, building his future that way. Let's not deny him the right to work for himself and provide his own future. This is the appeal that I make to the minister.

I also suggest what has been said here before many times this evening, that we have to consider the small builder, if you want to call him such. Provision should be made for that man.

Let's remember that the purpose of this is to get after those people who are exploiting, who are raising unnecessarily the cost of housing and the cost of commercial property. Those are the people who we are after.

I can give you personal experience where I have encouraged the members of my family to purchase houses over recent years. In one specific case, my daughter's property increased within a period of two years from $50,000 to $100,000 value.

Now, these are the things that we are trying to prevent and I think the purpose of the bill is good. I think the idea behind the bill is good, Mr. Speaker. I think what the minister is trying to get at in proposing the tax is the speculator. My appeal to the minister in his amendments is to concentrate on the speculator and not to take away from some of these who want to earn their own living and provide their own future.

Mr. Speaker: The hon. member for Grey-Bruce.

Mr. Sargent: Mr. Speaker, across Ontario the people are waking up to find out how really inept this legislation is. I think of when Lady Godiva goes home and the guy says, "Where in the hell have you been, your horse has been back for three days?" I think the people are realizing just exactly what is going on.

An hon. member: Explain it.

Hon. Mr. Grossman: The member should speak up. Where was she?

Interjections by hon. members.

Mr. Sargent: In other words, we want to know just what is happening. What is happening here?

Interjections by hon. members.

Mr. Sargent: I'm glad we have the hon. member for York North here, and the hon. members for Peel South, Victoria-Haliburton (Mr. R. G. Hodgson) and Eglinton. They're all going to vote for us on this; they're going to vote against this, I hope. I think we'll all vote against it unless we have many amendments to it.

Mr. L. Maeck (Parry Sound): The member's leadoff speaker said the Liberals were supporting it.

Hon. Mr. Grossman: He isn't listening to his leader.

Mr. Sargent: Well, we'll see. I was very impressed by the remarks of my leader and of the hon. members for York-Forest Hill, Downsview and Waterloo North; they were right on target. I think the minister has made a lot of notes to amend a lot of things.

But basically I think that the free enterprise system is going to go down the drain if this kind of thing keeps on happening, because farmers and their forefathers, who have paid taxes on their farms for generations, now have been put in a position where they can't sell them.

If the minister can't make a distinction between a man who holds a piece of land for six months and sells it, and the farmer who has held the land for 25 or 50 years, then we're in trouble.

Now this province is not unique in this problem, Mr. Speaker. What creates speculation is a land boom, mostly in areas abutting on metropolitan areas, in fringe development. And over the years, in Europe, the United States and in countless other jurisdictions, they've had this problem where speculators come into an area and, anticipating a boom, buy up land in the prospect of making a killing.

These speculators have had nothing whatsoever to do with the factors that make the value of that land skyrocket. They've had nothing to do with creating that increased value in the land. It's the community itself that creates that value, and that community should be the first one to reap the rewards. In many cases this is solved by a reciprocal land tax.

I mentioned this to the minister the other day, and he said he'd never heard about a reciprocal land tax. I don't hold that against him; I think he's an able man. But what I'm trying to say is that in a problem so important as this, why wouldn't he do proper research and come in with something that's going to work.

For instance, this is how a reciprocal land tax works: For years the land has been assessed as farm land, probably paying an assessment of you name it—anybody can pick a figure—but the total farm has been assessed for $5,000 or maybe $25 an acre. And now we wake up—

Hon. Mr. Meen: Mr. Speaker, on a point of clarification, can the hon. member tell me in what jurisdiction they're using this principle so that I might be able to look into it a little bit at some future time?

Mr. Sargent: I'll get it for the minister.

Hon. Mr. Meen: Does the hon. member mean he doesn't know the jurisdiction in which this principle is being used?

Mr. Sargent: Yes, the main area is London, Eng., where it was used to control speculation going on there in fringe development—

Hon. Mr. Grossman: Boy, they've got speculation under control there!

Mr. Sargent: —and in many parts of the continent. Well, now we wake up and find that the farm is being bought for $500 an acre—

Hon. Mr. Meen: This is in London, Eng.?

Mr. Sargent: No, I'm talking about the principle of the deal. Try to be intelligent for a moment.

Hon. Mr. Meen: Yes, I'll work at it.

Mr. J. R. Smith (Hamilton Mountain): Thorpe was up at their convention.

Mr. Sargent: —or $50,000 for the farm, and the farm in turn being sold for $500,000. Now, the reciprocal land tax comes into play, and all of the back taxes for 10 or 20 years have to be paid up at current land values or a percentage of it, based on its value. So the speculator knows before he goes into the deal, that the municipality, the township, the village, the town or the city will receive it as its rightful due.

An hon. member: That's our golf club again.

Mr. Sargent: So payday does comes to the local government, to the local municipality. Instead, here, the government is going to reap all the money, hundreds of millions of dollars in taxes, which should be going to the municipality.

Hon. Mr. Meen: Did the member read the budget? That is what we said we would do.

Mr. Sargent: The trouble with this government is that in recognizing a problem—and we do have a problem; it's been so ably put forth by everyone here—and in trying to solve it they go about it in a very unprofessional way. With the greatest respect, the fellows who drafted this bill made a hell of a poor job of it.

Hon. Mr. Meen: Oh, boy, I'd sure hate to have the member doing it.

Mr. Sargent: I have been talking about this reciprocal land tax for the past 10 years here. And speculation didn't just start last week or last month or last year in this province. In 1964 in Hansard I talked about five local Toronto Tories. They bought land in Bramalea, they didn't put any money up, they signed for $50,000 each—they put up no money, they just signed for it—and six months later they sold the land for $5 million and each one took a capital gain of $1 million, having put up no money. This is a matter of record. We all know the ongoing scandals in Bramalea which this government had a great part in. But that is not part of this picture.

Hon. Mr. Grossman: The member just brought it in.

Mr. Sargent: It would make a hell of a good story if the truth ever came out. But I received a letter last week from a lady in my constituency in Owen Sound and she was telling me about her father and mother—

Mr. J. R. Smith: Did they have mail delivery there?

Mr. Sargent: Pardon me?

Mr. J. R. Smith: How come they had mail delivery up there?

Mr. Sargent: Well, 10 days ago. I have it in my file if the member wants me to produce it. Her father and mother are living in Port Hope.

Mr. MacDonald: It's that mountain air that makes that fellow over there so sharp.

Mr. Sargent: They put their farm up for sale for $125,000, but the brother of the mayor of Port Hope bought the land from them for $100,000, and in so doing he posted a $25,000 deposit. That was in 1969. In brief, the story is this: In 1971 the farm was sold for $650,000, and to this date the farmer has only received this $25,000 deposit. He can't get the balance of his money. I tell the members this because, going from $25,000 received, the big speculators have had now $650,000 in their kick.

Countless land deals involving hundreds of millions of dollars, just billions of dollars, have been going on and now the government thinks that this legislation might be good vote-getting material; it might be another gut issue. Like its think-tank says to the government, let's play the teachers against the taxpayers. And that's boomeranged. I feel this is going to boomerang—

An hon. member: Unless they make some changes.

Mr. Sargent: —unless the minister makes some changes. Instead of researching this the minister has been shooting with a shotgun instead of shooting with a rifle, and a lot of people are going to get hurt. The farmers in my area are very unhappy about this whole thing.

Hon. Mr. Meen: Speak to the leader, he thinks it's fine.

Mr. Good: The member told the minister how to fix it up for the farmers. That's what he'll have to do.

Mr. Sargent: Now a farmer—bear this in mind, and don't forget it, I am an old politician; don't you forget this, because farmers are pretty important to us in this country—

Mr. McIlveen: He is old, that's right.

Interjection by hon. member.

Mr. Sargent: —a farmer's land is his pension, and the minister has destroyed that right here. It's not in this bill. There is no way he can protect the farmer here.

Hon. Mr. Meen: It's only 10 per cent a year.

Mr. Sargent: As I said before, a farmer who has had his land for 25 or 50 years is not in the same class as a man who holds the land for six months. The minister doesn't differentiate. He's laughing about it. He thinks it's funny.

Mr. McIlveen: Yes, it's kind of funny the way the member puts it.

Mr. Sargent: I can tell you this, sir, the farmer has no 40-hour week. He doesn't go south for holidays. He can't take a long weekend holiday. The cows have to be milked on Sunday as well as the other six days of the week.

Mr. Ruston: That's right.

Hon. Mr. Grossman: Unfair to the cows.

Mr. Sargent: He has been anchored on that land for generations.

Interjections by hon. members.

Mr. Sargent: The government says to him he cannot sell his land unless he pays that 50 per cent tax.

Hon. Mr. Meen: Nobody said that at all, that is a complete misrepresentation.

Mr. Sargent: It is in here. Is the minister going to change it?

Interjections by hon. members.

Mr. Sargent: I haven't heard many of the debates here but I heard my friend from Downsview making some pretty good remarks to the minister. I was talking to the accountant for a large development firm yesterday.

He said, "Is this actually going to happen"?

I said, "I can't believe it.

He said, "If a man has $100,000 profit on a deal, and is in a 60 per cent tax position, he pays the federal government $60,000 and he pays the Ontario government $50,000; so he's paying 110 per cent tax."

Interjections by hon. member.

Mr. Sargent: I can't believe that.

Hon. Mr. Meen: Let the member speak to his friends. It would be they who did it.

Mr. Sargent: He wanted me to ask the minister personally if this is true. I said it is a fact. I think that those who have spoken have done a very great job and the minister has to make a lot of changes or he is going to be in real trouble. Motivation is a very important thing. I said to a guy one day, "How long have you been working for this firm?" He said "Ever since the day they threatened to fire me."

Hon. Mr. Meen: A good story.

Mr. Sargent: Let the minister think about that.

Mr. Ruston: A very good point.

Mr. Speaker: The hon. member for York South.

Mr. MacDonald: Mr. Speaker, the object of this bill, I suspect, is something that no member of this House would dare to object to and that most would support. The principle of this bill is quite another matter. There is such a gap between the professed object of the bill as spelled out in its name and what the government has got in the bill itself, that we are dealing with a completely different situation altogether.

What I would like to do on the second reading, in which one is supposed to deal with the principle of the bill, is to try to sort this out and to deal with it in overview. I'm not interested in getting into the detail of the Act and the loopholes and how one

might contend with the loopholes because, quite frankly, for the moment they are irrelevant.

I was very interested to listen, for example, to the leadoff from the Liberals this afternoon where he concluded by saying—

Mr. Renwick: The member for Downsview led off.

Mr. MacDonald: —their inclination at the moment was to support the principle of the bill but when they saw the amendments they might change their mind. Now, the logic of that really threw me. If I were to be in what I think is his position, I would have said—

Mr. Renwick: How could the member tell?

Mr. MacDonald: Well, that is a good point.

Interjections by hon. members.

Mr. MacDonald: There might have been a logic in it if one said, "I'm opposed to the principle of this bill as it stands. Conceivably, I might change my mind when I see the amendments and if it is improved." However, I suspect his problem is that he's got to move from the fixed position that was established by the leader of his party in being in favour of it. So he starts out by being in favour of it and he might change his mind when he sees the amendments.

Mr. Renwick: That's giving more credit to the member for Downsview than he deserves.

Mr. MacDonald: That is a classic example of the confusion that sometimes harasses him.

Mr. Renwick: It is the convoluted thinking of the member for Downsview which is characterized by a total relationship with it.

Hon. Mr. Meen: That convoluted thinking is exceeded only by that of the member for Riverdale.

Mr. MacDonald: By the member for Riverdale? Oh, no, the member for Riverdale was really on the beam. If the minister didn't catch what he was saying, he is even more confused by this bill than we are.

Mr. Deans: The amendments improved the principle, but not enough.

Interjections by hon. members.

Mr. Renwick: Enough of these interjections, let's get on with the meat of the bill here.

Mr. Singer: That's not right. We haven't seen a single amendment.

Mr. MacDonald: If the objective of this bill, Mr. Speaker, as the provincial Treasurer foreshadowed it and as the Minister of Revenue stated it and as the Provincial Secretary for Resources Development who presumably has discussed it in cabinet and knows something about it confirmed later again this evening, if the principle of this bill was to bring more land on to the market for the purpose of providing more houses at a more reasonable price—

An hon. member: It fails.

Mr. MacDonald: —then the bill fails and one can stop right there. The principle just is not operative.

Do you know, Mr. Speaker, if the principle, as everybody assumed of this bill, would really get at the speculators? Proof of the fact that it isn't going to operate has been building up ever since the bill was introduced. It's rather significant, I think, that those who presumably are going to be the victims of this bill have been unbelievably silent.

Oh, there's been the odd neanderthal who took the bill at face value and hadn't had the discussion with his lawyers, or even hadn't read it and began to think of how he could get through any of the loopholes or around any of the corners. He may think that it really means what it says; but the great majority of them hadn't been protesting and they're not protesting because they know they're not going to be victimized.

Mr. Deans: That's right.

Mr. MacDonald: They know they're not going to be victimized.

Hon. Mr. Grossman: He is kidding.

Mr. MacDonald: And as a matter of fact, the second proof of the bill as it stands isn't going to be effective—

Mr. Renwick: That's right.

Mr. MacDonald: —is that the provincial Treasurer, from about 48 hours after he brought down his budget, made two or three speeches in which he said: "If this bill doesn't do it, then we'll bring in something else."

Mr. Renwick: That's right.

Mr. MacDonald: In other words, he was conceding that the bill wasn't going to be operative.

Mr. Deans: Absolutely right.

Mr. MacDonald: And there was his normal huffing and puffing that if it didn't work he would bring in something else.

Mr. Renwick: That's right.

Mr. MacDonald: But to my mind—I mentioned this in my initial reply to the budget, but I've got to come back to it again—for a piece of self-serving evidence, or testimony, or argument, that line in the budget was it; that the proof of the effectiveness of this bill was going to be the fact the government expected that they were going to raise only $25 million in revenue; and indeed it would be even more effective and they would be glad to see it get even less revenue. What self-serving nonsense. That is a classic.

The fact that the minister himself expected that he was only going to raise $25 million was proof of the ineffectiveness of the bill and—

Mr. Renwick: Even the Minister of Agriculture and Food stood up and bowed to the Minister of Revenue.

Mr. MacDonald: When one recognizes that, one understands why there's been no outcry from the developers. As I already stated in this House I suspect there are 15 or maybe 40 or 50 different developers, each of whom has made $25 million in the last year or so. And the government is going to come in with a tax that will be effective in reducing the cost of land—

Mr. Deans: In the last three months.

Mr. MacDonald: —and bringing more housing on the market, when from all of these big boys and all of the little people they're going to catch in the net, all they expect to get is some $25 million.

The next rather interesting commentary on the principle of this bill and the effect it was going to create was in the reaction of the Toronto Real Estate Board. A few days after the bill came in they began to climb on the bandwagon, because they knew they weren't going to be hurt, and to say that the government was to be commended. What they had achieved was some stabilization of the market; there was going to be a pause. There appeared to be a pause.

One could understand that. I suspect that every lawyer in the Province of Ontario has been devoting a good deal of his time to figuring out how to worm through the loopholes and around the corners of this bill. And everybody who is in the game of speculating, and a lot of little people who weren't in the game of speculating, have been talking to lawyers to find out how the government was going to operate in this. What were the new rules of the game, they wondered, and therefore there might be a pause. But yesterday, Mr. Speaker—perhaps you missed it — the information came out that in the month of April the cost of an average home in Metropolitan Toronto had gone up from $50,000 to $54,000; so in the three weeks, roughly, after the budget has been brought down, when we thought we had a pause, the cost of an average home has gone up eight per cent.

Mr. Speaker: Perhaps the hon. member could find a pause now.

Mr. MacDonald: As a matter of fact, I could find a pause because that's something to sleep on and give one nightmares: in the three weeks since this bill was brought in the cost of homes that the government is stabilizing went up eight per cent. That means that at that rate in the next year they will go up 100 per cent.

Mr. MacDonald moves the adjournment of the debate.

Motion agreed to.

Hon. Mr. Grossman: That's the pause that refreshes.

Mr. Renwick: What are we going to do tomorrow? Is the government going to withdraw this bill?

Hon. Mr. Winkler: Mr. Speaker, as previously announced, tomorrow we will open the afternoon sitting with item No. 7, Bill 23, and, at the conclusion of that particular item we will move to item No. 6, Bill 22. The House will adjourn at 6 o'clock.

As announced previously, I believe I said that the Minister of Energy (Mr. McKeough) would return with his estimates on Thursday. Having hoped that we would have reached the conclusion of the second reading of this bill this evening, I would hold that option open for Thursday.

Mr. MacDonald: Mr. Speaker, by way of clarification, is the House leader saying that we might come back to Energy or we might come back to this on Thursday? Is that what he's saying?

Hon. Mr. Winkler: We might come back to this on Thursday. I will inform the House tomorrow.

Mr. MacDonald: We might come back to this.

Mr. Renwick: What about the emergency debate on the hospital strike?

Hon. Mr. Winkler: I have no decision in that regard.

Mr. Renwick: I see.

Mr. MacDonald: We might get Energy next week.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 o'clock, p.m.

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No. 36



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Tuesday, April 30, 1974

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, APRIL 30, 1974

The House met at 2 o'clock, p.m.

Prayers.

Mr. J. H. Jessiman (Fort William): Mr. Speaker, I would like to welcome to the House today, 64 Young Voyageurs from Thunder Bay from the Agnew H. Johnson School, with their principal, Mr. George Randall, and their escorts. They are the first of a group of over 100 from this one school, and we welcome them to Toronto, sir.

Mr. R. D. Kennedy (Peel South): Mr. Speaker, I would like to introduce to the House, students from St. Martin's Separate School in Mississauga, their staff and those who are with them—some 120 students from grade 8. I ask members to join with me in welcoming them.

Mr. V. M. Singer (Downsview): Mr. Speaker, on a point of privilege, if I may. Yesterday in the second reading debate on the Land Speculation Tax Act, the point was made by myself and several other members that it was difficult or almost impossible to properly debate that statute without having some idea of the amendments that the Minister of Revenue (Mr. Meen) was going to present. The Miinster of Revenue refused to tell us what those amendments might be; he said there were three fields under consideration. He is quoted in today's Star as saying that there are at least 13 amendments that he proposes to introduce. I submit, Mr. Speaker, that the privileges of myself and all the members of the House have been seriously infringed upon because he won't tell us what is going on during debate but he discussed it with the news media.

Some hon. members: Right. Right.

Mr. A. J. Roy (Ottawa East): Government by headlines, as usual.

Interjections by hon. members.

Hon. W. G. Davis (Premier): Where was the member yesterday?

Mr. Roy: I was here. I didn't see the Premier.

Hon. Mr. Davis: Did the member get on television in Sudbury?

Mr. Roy: I didn't see the Premier—

Mr. Speaker: I haven't seen the newspaper articles to which the hon. member for Downsview refers. I am not at all sure of the import of what he says, based upon his remarks. So far I don't see any privilege that has been abused. I will, however, read the newspaper article and determine if in fact there is any privilege that should have been conferred upon this Legislature that was not so conferred. I will refer back to the hon. members as soon as I've had an opportunity.

Statements by the ministry.

ONTARIO ADVISORY COUNCIL ON SENIOR CITIZENS

Hon. M. Birch (Provincial Secretary for Social Development): Mr. Speaker, it is my pleasure today to announce the establishment of the Ontario Advisory Council on Senior Citizens under the chairmanship of Miss Hope Holmested of Richmond Hill. Miss Holmested and a number of the council members are with us today in the Speaker's gallery and I should like to welcome them to the Legislature.

Mr. Speaker, too seldom do we acknowledge the debt we owe to senior citizens. Were it not for their foresight, their industry and their imagination, Ontario would not be the thriving province it is today. Their independent outlook, their self-reliance are a lesson to us all. Such characteristics are the foundation of a strong society and are qualities that will never be outdated. What we have today is built on the efforts of those who have gone before, just as what we do today will be the plateau on which future generations will build their lives.

The majority of our 678,000 citizens over 65 are self-supporting, living within their community and still actively contributing to its life. But a number of factors—inflation, small pensions, fixed incomes and special health needs, among others—make it essential

to provide community assistance of one kind or another to enhance the quality of their lives. This government has recognized those special needs and has initiated many programmes to meet them and to alleviate hardship. Some programmes are universal and apply to all senior citizens, others apply to a select number and still others are available at the option of each individual. If I may, I would like to highlight a few.

First, the recent budget announced new steps to increase the financial independence of senior citizens through the guaranteed annual income system, GAINS, which assures an income of at least $50 per week for single persons or $100 per week for married couples. About 280,000 or 40 per cent of those over 65 will receive their first GAINS cheques starting July 1, 1974. Mr. Speaker, no other province in Canada provides a better income security programme to its elderly.

Mr. D. C. MacDonald (York South): That's questionable.

Mr. J. E. Bullbrook (Sarnia): The minister is abusing the rules of the House. This isn't a statement; it is a speech she is making now.

Hon. Mrs. Birch: In addition to GAINS, the Treasurer (Mr. White) announced the enrichment of Ontario's tax credits to reduce the cost of housing to those in need in this age group. The property credit was doubled from $90 to $180 and the pensioner credit was increased from $100 to $110. Further, sales taxes were removed from a number of articles in common use—

Mr. S. Lewis (Scarborough West): This is ridiculous.

Interjections by hon. members.

Mr. Lewis: Tell us about the number of senior citizens' housing units the government is building this year.

Hon. Mrs. Birch: Taken together, these measures will help Ontario's elderly citizens to enjoy a good standard of living during their retirement years.

Mr. Lewis: Tell us about those between 60 and 65 years of age.

Hon. Mrs. Birch: In the health care area, Ontario exempts all people over 65 years from OHIP payments. Beginning in September, it will provide free prescriptions for GIS pensioners—

Mr. Lewis: Tell us why there is no cost-of-living allowance built into the new GAINS programme.

Mr. Singer. The hon. minister left out page 7.

Mr. Speaker: Order, please.

Mr. Lewis: This is an abuse of the House.

Hon. Mrs. Birch: —and now provides basic nursing home care to those in need.

Mr. Lewis: Take a full-page advertisement in the Globe and Mail.

Hon. Mrs. Birch: Activity programmes within the nursing homes are provincially supported with the object of making life in these homes more satisfying.

Mr. Lewis: This is the prelude.

Hon. Mrs. Birch: In addition, comfort allowances payable to persons in charitable and municipal homes for the aged have been raised to $35 per month.

Mr. E. W. Martel (Sudbury East): But not all of them.

Hon. Mrs. Birch: More recently the government's focus has widened to include the development of health services to permit older people to remain in their own homes as long as possible. Under this programme, visiting homemakers and nurses enable many to remain at home and independent of community facilities.

Mr. R. F. Nixon (Leader of the Opposition): It sounds like a prorogation speech.

Hon. Mrs. Birch: Senior citizens' housing is another major area of government activity, and 24,000 people over 65 live in senior citizen housing on rent-geared-to-income arrangements. A substantial number are also accommodated in homes for the aged, some provided by the municipality, others by voluntary organizations. The province makes substantial financial contributions to their support.

Mr. Singer: Surely, Mr. Speaker, this is not within the rules applying to a ministerial statement?

Hon. Mrs. Birch: Although the burdens of property taxation, health care costs and housing possibly represent the main concerns of most elderly people, we recognize that, like the rest of us, elderly people have many interests—

Mr. Singer: On a point of order, Mr. Speaker.

Hon. Mr. Davis: I didn't think the member for Downsview was deputy leader any more.

Mr. Speaker: Point of order.

Mr. Singer: Mr. Speaker, surely this is not within the rules of what is contemplated by a ministerial statement. The hon. member has every opportunity to join in the debates. Ministerial statements surely have to be directed to announcements of policy made by ministers. This is a review of what has gone on for some time. It is ridiculous.

Mr. Lewis: The member is just against the aged.

Hon. Mr. Davis: He doesn't want to talk about the senior citizens.

Interjections by hon. members.

Mr. Speaker: Order, please.

Mr. Lewis: He doesn't like senior citizens. That is what is wrong.

Mr. Speaker: Order, please. There were certainly some comments made by the hon. minister which would represent ministerial policy and I detected those statements right at the beginning of the comments made by the hon. minister. I am not aware of any rules that would forbid her from making such a statement. She may therefore continue.

Mr. R. F. Nixon: Well, she is nicer looking than the rest of them anyway.

Hon. Mrs. Birch: Although the burdens of property taxation, health care costs and housing probably represent the main concerns of most elderly people, we recognize that, like the rest of us, elderly people have many interests beyond the basic necessities of life. In an attempt to make the amenities more readily available to senior citizens, we have eliminated or reduced rates for the use of transportation, cultural and other facilities. Programmes organized under the Elderly Persons Centres Act, such as meals on wheels, friendly visiting, recreation services and special transportation services also contribute to an active, independent life.

Mr. Martel: Most of them don't get transportation allowances.

Hon. Mrs. Birch: Other initiatives include total exemptions from succession duties on property passing on to a surviving spouse and for a once-in-a-lifetime gift of the family farm, thus facilitating estate planning and keeping family farms in operation. This important measure will do much to provide for the transfer of limited equity to survivors.

Mr. Roy: Who wrote that speech?

Hon. Mrs. Birch: These, Mr. Speaker, are some of the many considerable benefits available to our senior citizens. It is, I believe, an impressive list and one of which this government is proud. But the government is not content to regard these programmes as the ultimate either in extent or in the way in which the service is provided. It is with this in mind that the Advisory Council on Senior Citizens is being established.

The terms of reference of the council include: advising the government of Ontario, through the Provincial Secretary for Social Development, on matters pertaining to the well-being of the aged and aging persons, and to promote further the development and creation of opportunities for self-help for the aged, to their satisfaction and advantage as members of society as a whole—

Mr. Lewis: How about an attack on the New Horizons programme? It will fit in with the attack on the LIP grants.

Mr. Martel: After all the meetings the senior citizens had with the minister—

Hon. J. R. Rhodes (Minister of Transportation and Communications): The member for Sudbury East must have got an LIP grant, because he is sure using it.

Hon. Mrs. Birch: —to review current policies which have a bearing on aging and the economy, involving employment, preparation for retirement, income maintenance and health measures, services and facilities of government and otherwise, including education, programmes on housing, long-term care, and other related services.

The council will consist of a chairman and 18 members. I am pleased with the high level of expertise which will be brought to the council by its members. A number of the council members are themselves senior citizens. Many have helped in the formation of senior citizen groups across the province and others are professionals who have dedicated their lives to working with the elderly.

As I mentioned earlier, the chairman will be Miss Hope Holmested. Miss Holmested has had a long association with the Canadian Red Cross Society. She has been a board member of the Canadian Council on Social Development, chairman of the First Canadian Conference on Aging, 1966, and is with the section on aging of the Ontario Welfare Council. Although now retired from most of these positions she is ready to serve her community once again as chairman of the

Advisory Council on Senior Citizens. We welcome her to this new post.

We have kept the council's terms of reference as general as possible. Like the councils on the status of women and on multiculturalism, the Council on Senior Citizens will be free to approach problems and make contacts with the community at large, as the members see fit—

Mr. J. E. Stokes (Thunder Bay): How many members from the north are on it?

Hon. Mrs. Birch: —and, of course, it will be advising the government through me of changes which the government might wish to consider to meet changing needs and circumstances. Our goal is to provide the means by which all Ontario senior citizens can live a dignified and independent life.

Mr. Roy: Isn't the minister glad that's over with? We are sure happy it is over with.

Mr. T. P. Reid (Rainy River): That should last her for another year.

Mr. R. F. Nixon: The minister should listen to this one.

Interjection by an hon. member.

METRO TORONTO HOSPITAL DISPUTE

Hon. F. Guindon (Minister of Labour): Mr. Speaker, I should like to inform the hon. members that a tentative agreement has been reached in the dispute involving Metro Toronto hospitals and the Canadian Union of Public Employees.

Mr. J. R. Breithaupt (Kitchener): Now that's important.

Mr. E. J. Bounsall (Windsor West): Ten years too late.

Hon. Mr. Guindon: The memorandum is being prepared for signatures and ratification purposes. As usual, details are not being released until the parties ratify the agreement.

Interjections by hon. members.

Mr. Stokes: Way to go.

An hon. member: Beautiful.

Mr. Speaker: Oral questions. The hon. Leader of the Opposition.

METRO TORONTO HOSPITAL DISPUTE

Mr. R. F. Nixon: I would like to ask of the Minister of Labour, even though he has said that he does not want to give any further information about the tentative agreement until the parties are fully notified, is there any lesson that has been learned by the administration in the last two weeks? Or does it simply verify the contention, which is apparent in the way the Minister of Labour, the Minister of Health (Mr. Miller) and the Premier have handled this matter, that they would let it go right down to the wire to apply the maximum amount of pressure rather than have the discussions at a time when negotiations can be, let's say, more valuable for both sides concerned?

Mr. Jessiman: Better to listen and learn.

Hon. Mr. Guindon: Mr. Speaker, I wouldn't want to comment on this. I think really the negotiators on both sides have been sincere and have been negotiating in good faith. There is no question that at the beginning they needed some technical assistance which was provided from our ministry.

Mr. Lewis: Yes, if it had been up to his ministry we would have a strike tomorrow.

Hon. Mr. Guindon: I think the hon. member is most unfair.

Mr. Lewis: That is what would have happened had it been up to the Ministry of Labour.

Mr. O. F. Villeneuve (Glengarry): If they listened to the member there would have been.

Hon. Mr. Guindon: I think on last Friday, Mr. Speaker—

Hon. L. Bernier (Minister of Natural Resources): That is what the member for Scarborough West wanted. He wanted a strike.

Hon. Mr. Guindon: Last Friday, our ministry presented a proposal which was, I think, very fair and equitable.

Mr. Lewis: His ministry was asking for all of this. Don't let him tell us about his ministry.

Interjection by an hon. member.

Hon. Mr. Guindon: As far as I am concerned as Minister of Labour, I am cer-

tainly pleased to see that we have a tentative agreement.

Mr. R. F. Nixon: Supplementary: Is the minister not aware that as far as the community is concerned there has been and still is the greatest amount of sympathy and support for the hospital workers' contention, and that the view of the community is that they have had the greatest patience with the government, which in fact has been irresponsible in delaying the positions which have evidently finally let to the settlement? Is the Minister of Labour satisfied with the circumstances like that?

Hon. Mr. Guindon: Mr. Speaker, the hon. member knows full well that we have already expressed our views on this—the former Minister of Labour, the former Minister of Health and the present one, as well as the present Minister of Labour—months ago.

Mr. Roy: They tried to stop it?

Mr. Lewis: Supplementary, if I may Mr. Speaker: Since the free collective bargaining process has worked with the threat of a strike at the end of it, does the minister not now see that this is the way to deal in the hospital sector? And will he therefore not consider repudiating—removing from the statute books—the Hospital Disputes Arbitration Act?

Hon. Mr. Guindon: Mr. Speaker, there are no doubt, and we have said it before, some provisions with which we are not too happy because of how long it takes to give the award. However, it is the policy of this government and this ministry that in a public sector such as hospitals the right to strike should not be given.

Mr. R. Haggerty (Welland South): Mr. Speaker, a question of the minister: Will the agreement that was reached today for the hospitals in the Toronto area now be made mandatory across the province? Will the minister give consideration to the other hospitals that are perhaps at the bargaining table now, so that there will be similar across-the-board agreements throughout Ontario?

Hon. Mr. Guindon: I am sure that the boards who are negotiating will certainly see what this award is going to be and I imagine this will have influence across the province as well.

Mr. Speaker: The hon. member for Wentworth.

Mr. I. Deans (Wentworth): Thank you, Mr. Speaker. Now that this matter has been cleared up, is the minister in a position to make himself aware of the factors in the Hamilton case regarding interns in the hospitals and the impending strike in that particular dispute?

Mr. Speaker: It seems like a new question, really. I'll recognize the hon. member when it is time for the individual. Does the hon. Leader of the Opposition have further questions?

HOUSING ACTION PROGRAMME POLICY

Mr. R. F. Nixon: I would like to ask the member for Peel North if he can explain or elaborate upon the comments of David Strachan, the Peel regional co-ordinator of the housing action programme, that the programme will be called off in the Mississauga area if the city council insists on providing such frills as parks and libraries for the new communities designed under the housing action programme? Is it the Premier's intention that the housing action policy in his own community and elsewhere, in fact, brings forward communities without libraries and parks, which surely in this day and age should not be designated as frills?

Hon. Mr. Davis: I think that question would be more properly addressed to the Minister of Housing (Mr. Handleman).

Mr. Lewis: Supplementary.

Mr. R. F. Nixon: I would like to put it to the Premier that the housing action programme was a new policy announcement that came indirectly from him and that surely in his private capacity as a member he must have some interest in this matter as well. The Minister of Housing isn't here, although I must say he usually is. Surely there is some more useful answer the Premier can give.

Hon. Mr. Davis: Mr. Speaker, if the member for Brant wishes a long dissertation, I'd be delighted to give it to him.

Mr. Roy: No thanks, no thanks.

Hon. Mr. Davis: Now that he has asked, I shall presume to do so. The housing action programme is being developed by the province in co-operation with the municipalities to cut some of the red tape and some of the existing procedures to expedite the registration of lots and thus the construction of houses. There are some aspects, Mr. Speaker—

Mr. R. F. Nixon: As parks and libraries in the community?

Hon. Mr. Davis: Do the members opposite want an answer or don't they?

An hon. member: No.

Mr. R. F. Nixon: Go ahead.

Hon. Mr. Davis: All right, then let me give an answer.

Mr. R. F. Nixon: What is the matter with the Premier?

Mr. Roy: Does he need a raise in pay to do his job?

Hon. Mr. Davis: There are some aspects where the total deal with the municipalities may not be finalized. As to the question of what the contribution should be—say for capital construction of schools where we have to solve this for the municipalities, and the question of other things such as parks and libraries, which will be part of the total development over a period of time—it may be that in some municipalities we won't be able to settle them finally before other aspects of the programme can move ahead.

The House, Mr. Speaker, and the member for Downsview, who is a great expert in these fields, know full well of the total commitment of this government to a library service. We have debated this on many occasions. We shall continue to support the development of libraries, but at this precise moment our priority was to get registration of plans of subdivision so we can build houses. It is true that certain traditional routes to get these things done—

Mrs. M. Campbell (St. George): Not in Sudbury.

Hon. Mr. Davis: —will be expedited, including discussions within the ministries of this government. Otherwise, we will continue to face a housing problem. I would say to the hon. member for Brant there is no question the people in Mississauga will have without doubt all the proper amenities that have been the situation as far as development is concerned in that municipality, which happen to be really rather excellent in any event.

Mr. R. F. Nixon: I would then like to ask the Premier a supplementary on two matters. It is clear then that the housing action programme is going to go forward with the inclusion of the standard community amenities, such as parks and libraries, and that the coordinator is surely exceeding any instruction or authority that would be given to him? Is that right?

Mr. Lewis: No, no it is not.

Hon. Mr. Davis: Mr. Speaker, the programme will go ahead. It may be that the exact geographic determination of the library or the site, the question of allocation or five per cent dedication, may not be finalized in time to get plans of registration through. As far as having these facilities available, the housing action programme does not in any way inhibit this; it is a question of priority and the timing.

Mr. Speaker: Does the leader of the NDP have a supplementary?

Mr. Lewis: Yes, as I understand it there were some trade-offs, obviously, in early subdivision approval in getting houses on the market—although nothing as yet has happened. But why is the Premier prepared to contemplate by way of trade-off something as distressing and as socially destructive as parkland recreational facilities and libraries, which is now being talked about in all of these municipalities, not just Mississauga?

Hon. Mr. Davis: Mr. Speaker, we are talking about geographic location, by and large, and the finalization of this may come after registration. I'm not saying whether it will or not; some of them will be able to go ahead, I'm sure, without. All I'm saying is that at this moment in order to get housing moving on a greater scale than at the moment, certain other policies will take a little longer to sort out. I'm relatively aware of the situation in Mississauga. Mississauga has developed a very excellent library service and our housing programme will not in any way limit it.

Mr. R. F. Nixon: Mr. Speaker, will you permit a further supplementary on this? Can the Premier also guarantee, since he is concerned with reducing the time lag in the application followed by the approval of subdivisions, that the Treasurer's promise of a 60-day decision is going to be fulfilled, even though that announcement is now many months old and the applications are not returned to the municipalities in anything like 60 days?

Hon. Mr. Davis: Mr. Speaker, I don't recall exactly what the Treasurer said but we are saying here that for our internal purposes, as among or between the ministries who have some responsibility for official plan amendments and subdivision registrations, we will be cutting the time very substantially. Quite frankly, we will be doing some things which, if we had the normal length of time without the very real need for housing, we might take

longer in sorting out; these will be done internally.

What I cannot guarantee the member for Brant, no one can, is the length of time and the degree of co-operation from the municipalities. I must say, Mr. Speaker, in the last very few days I have been quite encouraged by the response I have had from some of the municipal leaders in their desire to move ahead with these objectives as well.

Mr. Speaker: The member for Yorkview.

Mr. F. Young (Yorkview): I'd like to ask the Premier, in connection with the trade-offs he indicated that the parkland might have to wait as far as its location is concerned; does this mean the land will be designated as registered lots and the parkland will come in later after the registered lots are delineated? This might lead us back to the point where parkland might be swamp or side hill, this sort of thing, which used to obtain in some municipalities of this province.

Hon. Mr. Davis: I don't think there is any danger of that happening whatsoever. I would also say there are some areas—I would think I could be relatively confident of this—where the parkland dedication is already part of the proposed plan of subdivision. I'm not so sure about library sites because library sites usually go beyond a particular plan of subdivision. I really think we are discussing something which is not a problem and is relatively academic.

EDUCATIONAL OPPORTUNITIES FOR PORTUGUESE, ITALIAN CHILDREN

Mr. R. F. Nixon: A question of the Minister of Education, Mr. Speaker: Is he concerning himself with the complaints which have come from the Portuguese and the Italian communities of Metropolitan Toronto that an unwarrantedly large percentage of their children are being directed into something other than academic education? Has he undertaken some review of what there percentages are and does he intend to enter into this controversy in any way?

Hon. T. L. Wells (Minister of Education): Mr. Speaker, of course, this is a complaint which is very commonly put at gatherings which discuss this. What the validity of it is I am not sure; I have asked our people to give me another report. I know I have heard it mentioned before. Sometimes when one starts to look into it one finds that it isn't quite as it is made out to be.

The opportunities in the Toronto system for children of Italian and Portuguese or, indeed, any extraction, I think are excellent. They have a lot of good programmes and I don't think the children from these families are being forced into these programmes to the extent the newspapers sometimes picture it. Certainly I have asked our people to take a look at it again and we'll discuss it with the board.

Mr. R. F. Nixon: A supplementary: Surely the old Robarts style of streaming is a thing of the past and these decisions are left with the young people, but would the minister not feel that under these circumstances the parents ought to have a better opportunity to indicate the educational future of the young people before they make a commitment that will lead them into something which will not, let's say, give them an opportunity for language and other cultural types of education which particularly the parents want?

Hon. Mr. Wells: Most certainly the young people and their parents are now very involved in picking their courses, but of course they—

Mr. R. F. Nixon: They must make the decision. It's more than involvement.

Hon. Mr. Wells: They have to make the decisions themselves, certainly. They make the decisions, along with the school.

But there is an interesting aspect to that story I read in the paper. It had to do with the request for languages, for Portuguese and Italian, I believe in grades 9 and 10 and in some cases in the senior grades of the school, which of course is now possible if there is a demand from the community for this. It seems to me the paper indicated, and I haven't checked this out, that while the parents wanted this course the children, when asked if they wished the course, had not indicated any interest in it. This is one of the problems we find in this particular area. The aspirations and desires of the parents as opposed to those of their children in the school system are sometimes slightly different.

As the hon. member knows, for instance, insofar as languages are concerned, if the community wishes and the Toronto board wishes to institute those programmes, it can institute programmes in secondary schools in Portuguese and in Italian, programmes which will help preserve the cultural heritage and background of those racial groups.

TEACHER CONDITIONS OF WORK

Mr. R. F. Nixon: I have another question of the Minister of Education. Is he aware that

the salary negotiations between the teachers and the Peel Board of Education have been suspended because the board refuses to recognize the right of the teachers to negotiate conditions of work? Since this very matter was brought before the Legislature in the York settlement, would the minister not feel it would be necessary that boards accept conditions of work as a negotiable item?

Hon. Mr. Wells: I don't think I can be any more explicit than I have been during debates in this Legislature and at other times. Indeed just last week in the city of Brantford, in talking to the secondary school teachers they asked me that question. I replied that I thought terms and conditions of employment should be negotiable. They noted this and said they would inform the Brant county board.

I have said it many times. I think it applies across the province, but there is no law that says this has to be done at this time.

Now I am not personally aware there has been a breakdown in the Peel county negotiations.

Mr. R. F. Nixon: Supplementary: Since the matter is of such concern and will obviously come to a head with this round of negotiations, which are already broken off in Peel, would the minister not consider a letter to the school boards, formally signed by him, expressing that view, which is supported at least by the two opposition parties although I don't believe it is thoroughly supported by the minister's backers; then at least the minister's view would be put before the boards?

Hon. Mr. Wells: Oh I will think of some way, Mr. Speaker, to make sure the board is aware of my views; if they are not already aware of them, which I am pretty sure they are.

Interjection by an hon. member.

Mr. Speaker: The hon. member for Scarborough West.

HOUSING PROGRAMMES

Mr. Lewis: To the Premier: Does the Premier recall that within January a commitment was made to provide locations and numbers for 35,000 additional serviced lots in Ontario? On April 9 last the Minister of Housing indicated he would have a statement on the Ontario housing action programme within two to three weeks. When are we going to get a considered statement of government policy in the production of homes?

Hon. Mr. Davis: Mr. Speaker, just as soon as possible.

Mr. Lewis: Right. May I ask the Premier, is he perhaps concerned that the cost of homes in the Metropolitan Toronto area jumped by another $3,000 to over $54,000 on the average sale in the month of April, and that his administration is reaching new heights in the inflationary spiral in housing? Can the Premier not give us some more specific answer as soon as possible?

Hon. Mr. Davis: Mr. Speaker, I recognize the cost of homes in Metro has gone up again.

Mr. Lewis: Right. May I ask, by way of supplementary, is the Minister of Housing perhaps driven almost to distraction by the trade-offs he is now entering into with developers, with municipalities, none of which has led anywhere in concrete terms; and does the Premier ever expect to have a specific announcement to make to the House?

Hon. Mr. Davis: Mr. Speaker, the Minister of Housing has not been driven to distraction. Yes, we propose to have an announcement to make to the House.

Interjections by hon. members.

Mr. Lewis: He will be. We will do it at some point. We will try. He hasn't been here for two days. He is driven somewhere.

Hon. Mr. Davis: Members opposite will try and they will not succeed.

Mr. R. F. Nixon: Maybe he went to Paris too.

QUARRY OPERATIONS IN PARKS

Mr. Lewis: May I ask the Minister of Natural Resources, has he informed his executive director of the division of mines that mining in provincial parks for gravel pit and quarry operations is perhaps undesirable, since his executive director has now indicated that when we run out of sand and stone, provincial parks may become a quarry operation?

Hon. Mr. Bernier: Yes Mr. Speaker, I must say my executive director is very much aware of government policy and that there will never be any mining in provincial parks in the Province of Ontario. I believe he was only commenting on an aggregate study that

is going to be released by this government in the very near future.

Mr. R. F. Nixon: And no logging?

Hon. Mr. Bernier: It indicates there is a severe shortage in southern Ontario. This report gives some indication we should be going in that direction, but I can assure members it is government policy that we will not.

Mr. Lewis: So that when the executive director of the mines branch said it was possible there may be no other recourse than to mine in the provincial parks—"It's a very explosive issue, we have got to find a new approach," meaning the use of the parks—the minister is quite clearly repudiating that?

Hon. Mr. Bernier: Exactly.

Mr. Lewis: Okay, may I ask by way of another—

Mr. Speaker: The member for Grey-Bruce has a supplementary.

Mr. Lewis: I'm sorry.

Mr. E. Sargent (Grey-Bruce): In regard to the pits and quarries in the Bruce, the small operators cannot afford a survey or fencing; is the minister going to put them out of business?

Hon. Mr. Bernier: Mr. Speaker, under the Act, of course, they must comply with the regulations which stipulate they must provide us with rehabilitation of site plans. Of course, these are prepared by an engineer and there is no way we can circumvent that.

Mr. Sargent: I told them to keep on going so the minister can charge me too.

Mr. Speaker: The member for Scarborough West?

Hon. Mr. Bernier: We can do that, too.

Mr. Sargent: I bet he will.

Mr. Speaker: The member for Sudbury East with a supplementary.

Mr. Martel: Regarding pits and quarries, when does the government intend to make the Pits and Quarries Control Act applicable to northern Ontario?

Hon. Mr. Bernier: Mr. Speaker, as early as possible.

Mr. Martel: We have been told that for two years.

Mr. Speaker: The hon. member for Scarborough West.

LEMOINE POINT

Mr. Lewis: May I ask the minister where do we stand on the negotiations for the acquisition of Lemoine Point as a provincial park?

Hon. Mr. Bernier: Mr. Speaker, I don't have a report at the present time but I will get one for the member.

CLOSING OF PELHAM SECONDARY SCHOOL

Mr. Lewis: Thank you. A question, if I may, of the Minister of Education: Since, as I understand it, the committee of concerned citizens involved in the Pelham school dispute proceeded on good faith from what they determined to be the minister's suggestion to get a petition of some 2,434 signatures to seek a review of the situation from the Niagara South Board of Education jointly with the Lincoln Board of Education, does the minister not think that it might be legitimate to approach those boards for a review, perhaps not a reversal but at least for a review, given the extent of community concern?

Hon. Mr. Wells: Mr. Speaker, I approached the Niagara South Board of Education and asked for a review of the matter, something which, I might say, didn't particularly meet with the full favour of the Niagara South board. Both the Premier and I, after a meeting with the people toward the beginning of the year in Hamilton, agreed we would do what we could to have another hearing held or at least bring those people together with the Niagara South board. This we did.

I sat in on the meeting and both the concerned parents and the Niagara South board, I thought, in a very clear and informative way, presented their sides and their stories. The decision of the Niagara South board, as I understand it, was still the same decision. The only glimmer of hope which appeared at that meeting for the Pelham people was the idea that perhaps the boundary between the Niagara South board and the Lincoln board could be shifted. If this were done, there would be a change in attendance areas and so forth and Pelham might then, as I understand it, become a viable school in the Lincoln county school system.

To this point in time neither the Niagara South board nor the Lincoln board has approached me with any proposal that the boundary be changed. Basically, if one believes in the local autonomy of those boards, it's up to them to come to some determination

and then come to us and ask that those changes be made. To this point in time, nobody has come to suggest we look at the boundary changes.

Mr. Lewis: May I ask, by way of supplementary, since the petition followed the meeting the minister describes—I concede it taking place, obviously—and since the petition directed itself to the change of boundary involving the Lincoln board, doesn't he think it's legitimate enough, when a community is fighting so hard to save its school with its staff, that the minister might intervene not to direct the boards to do something but to request the boards that the boundary view be examined, given the possibility that it makes good sense in educational terms over the next few years?

Hon. Mr. Wells: I would have assumed, Mr. Speaker, that is, in fact, what I did at the meeting I had with the boards at that time. The Lincoln board, naturally, wasn't there.

I am meeting the Lincoln board here next Monday, I believe, and I will probably discuss it with them at that time. But I am sure the Niagara South board certainly could not be under any other interpretation than I had suggested at the meeting that perhaps this is a solution; it obviously wasn't picked up by the Niagara South board.

Mr. Lewis: No, no. I agree.

Mr. Speaker: Does the hon. member for Scarborough West have further questions?

Mr. Lewis: No, Mr. Speaker.

Mr. Speaker: The hon. Minister of the Environment has the answer to a question asked previously.

ALLEGED SEEPAGE OF POLLUTANTS INTO DETROIT RIVER

Hon. W. Newman (Minister of the Environment): Yesterday the hon. member for Sandwich-Riverside and subsequently the hon. member for Windsor-Walkerville asked me about the present status of the industrial waste disposal by Wyandotte Chemical Corp. on Fighting Island in the Detroit River. I have discussed this matter with my officials and have been advised there have been no recent complaints that they are aware of concerning seepage of waste to the Detroit River resulting from this operation. If the hon. members are aware of any complaints I will have them investigated immediately by regional staff.

Officials of my ministry maintain a continuing surveillance of this operation but, as the hon. members are aware, Fighting Island has been privately owned by Wyandotte Chemical Corp. for many years. Permission to lay the waste pipeline on the bed of the Detroit River between the international boundary and Fighting Island was granted by issuance of a licence of occupation in 1936 by the then Department of Lands and Forests.

Our staff will continue to maintain surveillance of this operation, and if in fact it is apparent that there is a deterioration of the facility, I will certainly review the terms and conditions of the licence of occupation with my colleague, the Minister of Natural Resources, under whose authority the licence was issued.

Mr. Speaker: A supplementary? Yes.

Mr. F. A. Burr (Sandwich-Riverside): Could the minister indicate when the last inspection or monitoring was made of the island?

Hon. W. Newman: I can't give the hon. member the exact date. I have a lot of material here if the hon. member would like to have a look at it afterwards.

Mr. Roy: The minister doesn't know that?

Mr. Speaker: Another supplementary?

Mr. B. Newman (Windsor-Walkerville): Is the minister not concerned that the licence of occupation is costing only some $276 a year? And should he not review the termination of the agreement so that American liquid wastes would not be dumped on a Canadian island in the middle of the Detroit River?

Hon. W. Newman: Well, this is a privately owned island, as the hon. member is well aware, and this operation has been going on for some time. We are constantly monitoring it and we are working very closely at all times with our counterparts on the other side, and through the IJC, on any of these particular matters that come up.

Mr. Sargent: Is the minister going to separate them?

Mr. Speaker: The hon. Minister of Energy has the answer to a question asked previously.

ROUTE OF PETROLEUM PIPELINE

Hon. W. D. McKeough (Minister of Energy): Mr. Speaker, yesterday there were questions asked of the Premier about the intervention of the Province of Ontario before the National Energy Board, concerning the interprovincial pipeline. The intervention was filed today and I have copies if anyone wants them. I won't table them, but I do have copies.

Mr. Speaker: The hon. member for St. George is next.

CANADA ASSISTANCE PLAN

Mrs. Campbell: Mr. Speaker, my question is of the Minister of Community and Social Services. Is he aware of the fact that in Nova Scotia that government has declared areas as areas of need for the provision of services, such as the HELP services in St. James Town, and to obviate the necessity of individual needs tests? Is the government prepared to adopt that policy for this province?

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, I am not aware of the article to which the hon. member refers.

Mr. Roy: Is the minister aware who is in power there?

Hon. Mr. Brunelle: With reference to the matter of the Canadia Assistance Plan, there are some ongoing meetings with the federal government on this very important area of the needs test—and there will be a meeting some time within the next week or two.

Mrs. Campbell: Mr. Speaker, a supplementary: If in fact on investigation of this matter the minister ascertains that the power is already available to this province, would he give consideration to endorsing this policy for the people of this province?

Hon. Mr. Brunelle: Certainly, Mr. Speaker. We are always willing to get as much money as we can out of the plan.

Mr. Speaker: The hon. member for Thunder Bay is next.

COST DIFFERENTIAL BETWEEN SOUTHERN AND NORTHERN ONTARIO

Mr. Stokes: Thank you, Mr. Speaker. I have a question of the Minister of Transportation and Communications. Does the minister recall his entering into a debate on April 24, 1972, in this House, on a private member's resolution calling for a commission of inquiry, and saying specifically:

> They are not going to come [that is, people from southern to northern Ontario] until they can come and live with the same cost, the same pricing and the same benefits that are being enjoyed by people in other parts of the province?

Does he recall also that he said:

> There seems to be something desperately wrong when freight rates can be that far apart between communities similar distances apart within the one province?

And does he recall saying:

> I think there is a need indeed for someone to look at what is wrong with the differences in freight rates and the differences in pricing?

If he still recalls saying those things, and if he was sincere at that time, what does he propose to do about it now that he is the Minister of Transportation and Communications?

Mr. Deans: Good question.

Mr. Roy: The minister could tell them he's got a bad memory.

Hon. Mr. Rhodes: Well, Mr. Speaker, I don't recall the specific date of the comment—

Some hon. members: Oh, oh.

Mr. Breithaupt: Misquoted.

Mr. Roy: He was misquoted.

An hon. member: He said the whole thing.

Hon. Mr. Rhodes: No, no. If all of the squirrels will keep quiet just a moment and let me finish—

Mr. Lewis: The minister should tell them he's not responsible for remarks in his previous incarnation.

Hon. Mr. Rhodes: I don't recall the specific date, but it certainly sounds like comments that I would have made then and now. And what do I intend to do about it? Everything in my power to straighten it out.

Mr. Speaker: A supplementary? Yes.

Mr. Stokes: If that is the case, why doesn't the minister just raise freight rates in northeastern Ontario?

Hon. Mr. Rhodes: Mr. Speaker, obviously the hon. member hasn't taken the time, similar to his leader, to look at what was proposed in the announcement that was made in Timmins that he is referring to.

We recognized at that time that the programme that had been developed as an experiment was not working satisfactorily. We have changed that experiment and we have reduced the freight rates on a great number of articles, by as much as a 60 per cent reduction on commodities where there will be a direct saving to the consumer. The increases that were being proposed were those within the realm of control of the Province of Ontario in the Highway 11 corridor. The amounts have not been determined as yet and they are only being increased when it can be proven by the carriers that it is to their financial difficulty if they do not get these increases.

Mr. Martel: The government's corporate friends wouldn't reduce prices.

Interjections by hon. members.

Mr. Speaker: Order. Did I hear "supplementary"? The hon. member for Rainy River.

Mr. Reid: Thank you, Mr. Speaker.

Mr. Roy: Why doesn't the government put him back on the beat? They should put him back on the beat.

Mr. Reid: Why doesn't the government do the same thing with gasoline prices as it is doing with those freight rates?

Mr. D. M. Deacon (York Centre): Good question.

Mr. Reid: Anyway, will the minister recommend to his colleagues that to equalize the cost of living in northern Ontario vis-à-vis southern Ontario, there be some arrangement made in the provincial income tax to give the people in northern Ontario a tax credit, if you will, Mr. Speaker, to equalize the cost of living in the two parts of the province?

Mr. Deacon: Very good idea.

Hon. Mr. Rhodes: Mr. Speaker, the lack of communication that was exhibited between the Liberals of Ontario and the Liberals of Canada is evidenced again here. The hon. member should ask his brother about income tax.

Mr. Reid: I take it that means the government won't do anything?

An hon. member: As usual.

Mr. Speaker: Order, please.

Mr. Roy: That is a washout.

Mr. Lewis: These relatives are a real embarrassment.

Mr. Speaker: Order, please. The hon. member for Grey-Bruce has a supplementary? Did the hon. member for Sudbury say "supplementary"?

Mr. Sargent: Supplementary.

Mr. Speaker: Well, then, I will call him in his turn. The hon. member for Grey-Bruce.

Mr. Sargent: I was talking to my advisers here. Was the minister talking about the freight rates on trucking?

Hon. A. Grossman (Provincial Secretary for Resources Development): What did the member for York-Forest Hill (Mr. Givens) tell him?

Mr. Sargent: What is the minister doing about the meeting with the Highway Transportation Board to set up freight rates controlled by the people, not by the trucking companies? When is he going to be on to that one?

Hon. Mr. Rhodes: Mr. Speaker, I have already had several meetings on that very matter. I will be very happy to report to the hon. member and the other members of this House when that matter has been discussed in more detail.

Mr. Sargent: Supplementary?

Mr. Speaker: There have been five supplementaries which are sufficient.

Mr. Sargent: Supplementary: When did the minister have the meeting?

Mr. Speaker: The hon. member for Hamilton Mountain.

Mr. Sargent: The minister knows he is bluffing.

Mr. Speaker: Order, please. The hon. member for Hamilton Mountain.

Hon. D. R. Timbrell (Minister without Portfolio): If it is like the other advice members opposite have been getting, it is probably wrong again.

HAMILTON BAY PROPERTY

Mr. J. R. Smith (Hamilton Mountain): I have a question of the Minister of Natural Resources: Will the minister provide for public meetings or hearings in the Hamilton-Wentworth region during his study of the outdoor recreational facilities in connection with the Allarco and Lax Brothers property so that interested recreational, conservation and other community organizations and individuals may make presentations?

Hon. Mr. Bernier: Yes, Mr. Speaker, I certainly would entertain that proposal. As you know, we are undertaking a very intensive study of the Hamilton area to assess the recreational potential and the requirements for recreational land in that particular city dealing with those two main pieces of property. The study team will be going in there very, very shortly. Hopefully, the study will be completed in about three months and we will invite public participation.

Mr. Deans: The member should have been here last Friday, when I asked about it.

Mr. Speaker: The hon. member for Ottawa East is next. Supplementary? Then the hon. member for Hamilton East.

Mr. R. Gisborn (Hamilton East): When he undertakes the study in Hamilton, raised by the hon. member for Hamilton Mountain, would the minister investigate the legality of the sale of the Lax property from the harbour commission to the Lax Brothers at the time it took place and up to the options that are now held on the property? Would he undertake to investigate with the federal government the legality of the acquiring of that property by Lax Brothers?

Hon. Mr. Bernier: Mr. Speaker, I don't think this would be a responsibility of the study team, but certainly I'll take the member's suggestion under consideration and have a look at it.

Mr. Deans: Well, a supplementary.

Mr. Speaker: The hon. member for Wentworth has a supplementary.

Mr. Deans: Surely, the determination of the ownership and the propriety of the legality of the ownership is, in fact, something that has to be taken into consideration by the study team in order to determine the fair market value in the event that the government intends to purchase it?

Hon. Mr. Bernier: Mr. Speaker, the study team will be looking at the recreational possibilities and the need for recreational land in that particular area. We're not going into detail as to the cost of land and who it belongs to and the various aspects. That will be the next step.

Mr. Speaker: The hon. member for Ottawa East.

BOOKMAKING AND DRUG TRAFFICKING IN INDUSTRIAL PLANTS

Mr. Roy: Thank you, Mr. Speaker, that was a wise decision. Mr. Speaker, I have a question—

Mr. Sargent: Because he's French, that's why.

Mr. Roy: Yes, that's right. The minority group.

Mr. Speaker, I have a question of the Solicitor General.

Hon. Mr. Davis: That is not a question of the Speaker's wisdom.

Mr. Roy: I wonder if the Solicitor General might advise, first of all, whether he's aware; secondly, if he plans to investigate the fact that there is bookmaking going on in large industries in southern Ontario and it has become rampant; thirdly, whether he is aware of the fact that many workers are becoming victimized to the extent of $1,000 a year? These in-plant bookies apparently extend credit to their victims until they get in too deep and then the victims must steal or deprive their families to pay up. Is he aware of this?

Hon. G. A. Kerr (Solicitor General): Yes, Mr. Speaker, I am aware of this in some of the larger plants. I realize there are plants in Ontario where there is some bookmaking activity. The plant foreman, the plant superintendent, those people in charge of the plant do their utmost, of course, to stop this practice. The local police and the provincial police are aware that it goes on and every effort is made to stop it. We think we are obtaining some success in minimizing this activity.

Mr. Roy: If I might ask a supplementary, Mr. Speaker: Would the minister advise whether he is aware, as well, of trafficking in drugs going on in some of these plants; secondly, whether he might advise the House whether, in fact, as suspected by many of these people, that it's organized crime that is backing some of these in-plant bookies?

Mr. Singer: The minister is not aware of this.

Hon. Mr. Kerr: Mr. Speaker, I'm not aware that there is trafficking of drugs in these plants. I am not aware that there is organized trafficking of drugs.

Mr. Roy: Is the minister going to look into it?

Hon. Mr. Kerr: I would assume that drugs are being used by some of the employees in the plants, but I'm not aware of any trafficking or organized trafficking going on. I'm sorry, I don't recall the last part of the member's question.

Mr. Sargent: Organized crime.

Mr. Roy: Organized crime.

Mr. Lewis: Syndicated crime.

Hon. Mr. Kerr: I could answer the question by saying that organized crime is involved in bookmaking and drug trafficking.

Mr. MacDonald: A supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for Sudbury is next.

Mr. M. Shulman (High Park): A supplementary.

Mr. Speaker: I think that there are just a few moments left and one or two supplementaries are sufficient. The hon. member for Sudbury.

OTDC POSITION FILLED BY US CITIZEN

Mr. M. C. Germa (Sudbury): Mr. Speaker, I have a question of the Minister of Transportation and Communications. Is it true that an American citizen from the US Department of Transportation is being appointed vice-president of the Ontario Transportation Development Corp. as research and development director?

Mr. Reid: The minister never heard of it.

Hon. Mr. Rhodes: An American citizen? Would the member repeat the question please? I think I have the answer, but I want to make sure of the question.

Mr. Germa: Is it true, Mr. Minister, that an American citizen from the US Department of Transportation is being appointed vice-president in charge of research and development of the Ontario Transportation Development Corp.?

Hon. Mr. Rhodes: Mr. Speaker, it is true that an American citizen is being appointed at the present time. Whether he's from that particular department, I don't know.

Mr. Germa: A supplementary, Mr. Speaker: Could I ask the minister what kind of bait he had to put out in the way of salary and fringe benefits in order to entice this person here?

Hon. Mr. Rhodes: Mr. Speaker, I wasn't out doing any fishing in that particular case. That would be a matter that would have been handled by the Ontario Development Corp., and not by the minister.

Mr. Breithaupt: A supplementary, Mr. Speaker, can the minister advise us as to what particular or peculiar qualifications this individual may have; and as to what Canadians, or others, applied for this position?

Interjection by an hon. member.

Mr. Haggerty: If the application is available.

Hon. Mr. Rhodes: I cannot at this moment. I can bring the information for the member. I do not know, if it's the particular position I am thinking of, that a considerable amount of expertise which would not have been available elsewhere was available from this particular gentleman.

Mr. Sargent: The minister needs all the help he can get.

Mr. Speaker: The hon. member for Sarnia. The supplementaries have been sufficient with just a few moments remaining.

ECOLOGICAL IMPACT OF NUCLEAR POWER FACILITIES

Mr. Bullbrook: Thank you, Mr. Speaker, I have a question I'd like to direct to the Provincial Secretary for Resources Development. Could he advise what studies were undertaken, as a result of his policy direction, by the Ministry of the Environment into the ecological impact of the development of the nuclear power facilities on Lake Huron; and, if none, why not?

Hon. Mr. Grossman: I can't advise the hon. member because insofar as I know, certainly for the period of time I've been there, it has not come to my attention. If there has been such a study made or ordered—

Mr. Reid: What has come to his attention?

Hon. Mr. Grossman: —I'd be glad to advise the member.

Mr. Bullbrook: Am I correct in my assumption from the minister's response that it has been of no concern to him or his predecessor, as the person responsible for the development of policy in the resources development field and the protection of the environment in the Province of Ontario, that no studies of any kind were done by the Ministry of the Environment either in connection with the development of the corridors or, more importantly, the impact on the Great Lakes of the development of the facilities themselves?

Hon. Mr. Grossman: I would say, Mr. Speaker, the answer to that is the member has no reason to come to that conclusion.

Mr. Bullbrook: As one last final supplementary—

Interjections by hon. members.

Mr. Bullbrook: —do I understand that we have his undertaking that there were such studies and he will bring them to our attention?

Mr. Lewis: What is he talking about?

Hon. Mr. Grossman: Mr. Speaker, that's not what I said.

Mr. Roy: Well, say something.

Interjections by hon. members.

Hon. Mr. Grossman: I didn't say there were such studies. I said I am not familiar as to whether or not there were such studies and I am not going to give—

Mr. Bullbrook: He hasn't done anything at all. That is what the secretariats are all about.

Hon. Mr. Grossman: And I am not going to give—

Mr. Bullbrook: That is a typical example of the secretariats. They do nothing. They do nothing.

Hon. Mr. Grossman: —the member a glib answer to it. There are many reports which we are studying at the present time.

Interjections by hon. members.

Mr. Bullbrook: He doesn't even know anything about the administration study.

Mr. Stokes: That's true.

Mr. Bullbrook: There are no ecological studies at all in connection with the whole policy, the whole development of energy. No studies at all; no environmental studies.

Hon. Mr. Grossman: We are catching up on a backlog of—

Interjections by hon. members.

Mr. Reid: He doesn't know.

Mr. Speaker: Order. Order.

Interjections by hon. members.

Mr. Speaker: The hon. member for Nickel Belt is next.

Interjections by hon. members.

Mr. Reid: The minister can sit down. He's not going to answer anyway.

Hon. Mr. Grossman: I'll answer it in a truthful manner and that's what I've done.

Mr. Singer: He doesn't know.

Mr. Reid: He doesn't know; that is the answer.

Hon. Mr. Grossman: That's what I've done. There were a lot of studies which went on before my taking over this position.

Mr. Bullbrook: That policy business is a charade.

Mr. Speaker: Order.

Mr. MacDonald: Is the minister reading them?

Hon. Mr. Grossman: I'm reading them; we are studying them and we are catching up on some of those things with which I am not familiar. As soon as I have the answer to the member's question, I'll give it to him.

Mr. Bullbrook: Is he going to do some studies after the plants are built? Is that it?

Mr. Speaker: The hon. member for Nickel Belt.

Mr. Bullbrook: The whole secretariats are a charade and the government knows it.

Mr. F. Laughren (Nickel Belt)**:** Mr. Speaker, a question of the Minister of Transportation and Communications.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Bullbrook: The minister is a Barry Goldwater. He does nothing on—

Mr. Speaker: Order, please.

Mr. Laughren: In view of the fact that the minister indicated in Sudbury at the weekend that he was—

Interjections by hon. members.

Mr. Speaker: Order, please. Perhaps the hon. member would start again; I couldn't hear a word he said.

FOUR-LANE HIGHWAYS IN NORTHERN ONTARIO

Mr. Laughren: To the Minister of Transportation and Communications, Mr. Speaker: In view of the fact that the minister indicated in Sudbury on the weekend that he was planning four-lane highways across northern Ontario, would he please be more specific and indicate what kind of time-frame he was thinking about? Further, does he intend to speed up the present rate which consists of five years of feasibility studies and 10 miles of highway, then another five years of feasibility studies and another 10 miles of highway?

Mr. Roy: What was he doing in Sudbury on the weekend?

Interjection by an hon. member.

Hon. Mr. Rhodes: Mr. Speaker, I'll answer the question of the member for Ottawa East first. I was in Sudbury on the weekend standing at the airport watching—

Mr. MacDonald: Out of order.

Mr. Speaker: The member for Ottawa East did not ask a question. The member for Nickel Belt asked a question.

Hon. Mr. Rhodes: —the aircraft arrive, that's what I was doing.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Ottawa jets.

Interjections by hon. members.

Hon. Mr. Rhodes: —with the Prime Minister and five cabinet ministers to attend a political meeting.

An hon. member: It was our money.

Interjections by hon. members.

Hon. Mr. Winkler: Ottawa jets.

Hon. Mr. Rhodes: Mr. Speaker, I would hope—

Mr. R. F. Nixon: Has the minister cashed those cheques of his yet?

Mr. Breithaupt: They have learned in a good league.

Mr. Lewis: He was at the Royal York at 2 o'clock this morning; I will vouch for that.

Mr. Speaker: The time for oral questions has expired.

Interjections by hon. members.

Mr. Speaker: The time for oral questions has expired.

Mr. Lewis: Mr. Speaker, on a point of order first.

Mr. Speaker: All right, I'll listen to it.

Mr. Lewis: On a point of order before one of the ministers leaves—

Interjection by an hon. member.

Mr. Lewis: Pardon? I am sorry; are we still on question period? I am sorry.

Interjections by hon. members.

Mr. Speaker: The time for oral questions has expired.

Mr. Stokes: On a point of order, Mr. Speaker.

Mr. Speaker: All right.

Mr. Stokes: I particularly watched the time when the lengthy ministerial statements concluded and I definitely saw the time was 2:17; we have 45 minutes for question period which would bring it to 3:02.

Mr. Speaker: I must say to the hon. member that ministerial statements have nothing whatsoever to do with the question period. The time for oral questions has expired according to my time.

Mr. Stokes: That's right. My point of order is that I can tell the time and the ministerial statements were completed at 2:17.

Interjections by hon. members.

Mr. Speaker: If the hon. member for Thunder Bay is going to be so picayune, I will extend the question period for two minutes.

Mr. Singer: Mr. Speaker.

Mr. Lewis: But not for a Liberal.

Mr. Speaker: The last question was by a member of the New Democratic Party. The hon. member for Downsview.

Interjections by hon. members.

Mr. Speaker: The hon. member for Downsview.

Mr. Laughren: Point of order, Mr. Speaker.

An hon. member: What a great spot.

Mr. Speaker: The hon. member for Downsview.

Mr. Laughren: Point of order, Mr. Speaker.

Mr. MacDonald: Order, order; point of order.

Mr. Singer: Mr. Speaker, may I address a question to the Minister of Labour?

Mr. Speaker: Order! Point of order.

Mr. Laughren: Mr. Speaker, the Minister of Transportation and Communications had started to answer my question when you declared the question period was now ended. It was extended so that he could finish answering my question. He hasn't answered it yet, Mr. Speaker.

Mr. Lewis: He talked about aircraft in Sudbury rather than four-lane highways in the north. Answer the question.

Mr. Stokes: What is the ministry going to do about four-lane hghways?

Mr. Lewis: This is not to facilitate the hon. member for Downsview; answer the question.

Mr. Speaker: There are 30 seconds left.

Mr. Lewis: This is a sham and a fraud.

DISPUTE OF INTERNS AND RESIDENTS

Mr. Singer: Mr. Speaker, a question of the Minister of Labour: Has the Minister of Labour been asked to intervene, or has it been suggested he take a look at the situation involving interns and residents who are now threatening a strike in Hamilton hospitals, Toronto hospitals and in other places? Has he consulted with the Minister of Health, who promised to look into this matter when I questioned him on April 22 last?

Hon. Mr. Guindon: Mr. Speaker, this matter has already been raised here today. However, I should like to tell the hon. member—

Mr. Singer: It hasn't been raised at all.

Mr. Breithaupt: It was out of order.

Hon. Mr. Guindon: Yes; the member from Hamilton referred to it. Of course for one thing, these people do not belong to any union; as the member knows they are not unionized.

Interjections by hon. members.

Hon. Mr. Guindon: In any event, any assistance we can give in this matter we are always glad to do so.

Mr. Singer: Is the minister not familiar with the letter written by the Minister of Health suggesting that the Labour ministry do get into the picture?

Mr. Speaker: The time for oral questions has expired.

Mr. Lewis: On a point of order, Mr. Speaker, if I may, because I would feel remiss if I didn't; and I suppose it follows logically from this discussion of a potential strike in Hamilton. As one who was fairly close in the last couple of days to the negotiations that took place in Toronto, I want to congratulate the Minister of Health for his involvement in this dispute and what he did in terms of the settlement. I think that should be known in the House as much as the alleged involvement of the Ministry of Labour.

Mr. Speaker: Petitions.

Presenting reports.

Mr. Taylor of the standing administration of justice committee reported the following resolution:

RESOLVED: That supply in the following amounts and to defray the expenses of the Ministry of the Attorney General be granted to Her Majesty for the fiscal year ending March 31, 1975:

Ministry of Attorney General

Law Officer of the Crown	$ 1,600,000
Administrative Services	17,965,000
Guardian and Trustee Services	3,016,500
Crown Legal Services	8,265,000
Legislative Counsel Services	386,500
Courts Administration	40,931,000
Administrative Tribunals	4,208,500

Mr. Speaker: Motions.

Introduction of bills.

CROWN EMPLOYEES COLLECTIVE BARGAINING ACT

Mr. Laughren moves first reading of bill intituled, An Act to amend the Crown Employees Collecting Bargaining Act, 1972.

Motion agreed to; first reading of the bill.

Mr. Laughren: Mr. Speaker, this bill would remove from the present Act certain exclusive functions of the employer; and would also recognize the right of civil servants in the Province of Ontario to free and collective bargaining, including the right to strike.

Mr. M. Cassidy (Ottawa Centre): Good bill.

LANDLORD AND TENANT ACT

Mrs. Campbell moves first reading of bill intituled, An Act to amend the Landlord and Tenant Act.

Motion agreed to; first reading of the bill.

Mrs. Campbell: Mr. Speaker, the amendment provides for mandatory landlord and tenant review boards in municipalities with populations of over 50,000 persons. These boards would have the power to determine the amount of rents and to order tenants removed from premises for non-payment of rent or wilful damage to premises.

Mr. Cassidy: There has been a much better bill on the order paper for a year, Mr. Speaker, dealing with the same thing.

Mr. Roy: The hon. member can withdraw his bill now.

Mr. Speaker: Orders of the day.

REGIONAL MUNICIPALITY OF HALDIMAND-NORFOLK ACT

Hon. Mr. Irvine moves second reading of Bill 23, An Act to amend the Regional Municipality of Haldimand-Norfolk Act, 1973.

Mr. J. A. Renwick (Riverdale): Another full-scale debate.

Mr. Speaker: The hon. member for Kitchener

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, my comments on this bill will be brief. The only matter of principle in it allows the continuation of the matters that were before the former land division committees and committees of adjustment in the regional area. I believe we have now amended nearly all of the Acts with respect to that and perhaps the minister can advise if this is the last Act to be amended.

It would appear to me it would be worthwhile for us to know that all of these continuing applications will therefore be regularized in the various regional municipalities so that there will be no question in the future as to any difficulties which might arise. We will of course support the amendments.

Mr. M. Cassidy (Ottawa Centre): Mr. Speaker, I just want to comment briefly on the bill. I will not raise great issues of principle about Haldimand-Norfolk on this particular bill; I merely comment that I think at some point in this Legislature we should have a statement by the ministry about the way in which the planning of the province is going forward for Haldimand-Norfolk in view of the fact that so much of the responsibility is still a provincial responsibility and has not been delegated to the local level.

This particular bill, which dissolves the local committees of adjustment, may be felt more forcefully by many people there than some of the activities the province is engaged in which are of much more long-standing importance.

I would only point out finally that it amuses me, to say the least, that the government cannot even bring in this bill before April 1, since the bill directs that the new regional government was to create its land division committee by April 1 under a bill that didn't receive first reading until April 4. We will support the bill.

Mr. Speaker: Any further comments on Bill 243 before the minister responds?

Hon. D. R. Irvine (Minister without Portfolio): Mr. Speaker, in answer to the member for Kitchener, it is my understanding this will be the last regional bill we'll have to enact with regard to the land division committees being able to handle the applications that weren't dealt with before the implementation of regional municipalities.

As far as the planning and development of the region is concerned, that is a matter which I believe the member for Ottawa Centre should know shouldn't be discussed in this particular bill, but will be discussed at greater length at another time.

Mr. Cassidy: Would the minister permit one question Mr. Speaker? When is that time? Does the minister intend to make a

statement about planning in Haldimand-Norfolk in the near future?

Hon. Mr. Irvine: Mr. Speaker, I can't advise the member at this particular time as to a specific date, but what I will do is inform the Minister of Economics and Intergovernmental Affairs (Mr. White) as to the member's concern and hopefully he will be in touch with him in the near future.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

THIRD READING

The following bill was given third reading upon motion.

Bill 23, An Act to amend the Regional Municipality of Haldimand-Norfolk Act, 1973.

Clerk of the House: The sixth order; resuming the debate on the motion for second reading of Bill 22, the Health Disciplines Act, 1974.

HEALTH DISCIPLINES ACT, 1974
(continued)

Mr. M. Shulman (High Park): Mr. Speaker, I wanted to speak only on one aspect of this bill. Everything has been covered very well by my colleague, the member for Parkdale (Mr. Dukszta). However, there is some additional material that has been made available to me since he spoke and I would like to take this opportunity of adding a few comments to his remarks.

I want to refer specifically to the matter involving the optometrists and the controversy between themselves and the ophthalmologists. I hope I can have the minister's attention just for a few moments.

Interjection by an hon. member.

Mr. Shulman: When the minister is through with what he is doing—we've lots of time.

Hon. F. S. Miller (Minister of Health): I am sorry, I was reading the paper.

Mr. Shulman: Okay. There has been considerable discussion as to whether optometrists should be given the right to use drugs. The minister hasn't made himself quite clear. I understood his most recent position was they were to be allowed to use drugs for tonometry only. Is that where the minister stands?

Hon. Mr. Miller: Yes.

Mr. Shulman: Well I want to speak on that, because there has been considerable confusion on this subject and some discussion of what is going on in England—and I now have the facts of what is going on in England.

I am sure the minister is not aware that the optometrists this past week sent out a new fee schedule. If he is aware of it, he should stomp on their toes very quickly—because they are presuming that he is going to give them a lot of things which I don't believe he intends to give them.

In this fee schedule they have included the following items: Gonioscopy, which involves the uses of topical anaesthetic; electroretinography, which uses topical anaesthetic and dilating drops; and fungus photography, which uses dilating drops.

Now none of those things are included under tonometry. Either they know something the minister doesn't or else they are presuming they are able to put further pressure upon him.

I trust that those three items, which have nothing to do with tonometry, will produce some comment from the minister.

To come to tonometry itself, I think the minister has made an error. In all respects, Mr. Speaker, I would like him to reconsider this.

Tonometry—for the benefit of the one or two members in the House who are not medical men—is a simple screen mechanism for determining whether people are suffering or are developing a very serious eye condition called glaucoma. I don't think anyone will dispute that optometrists should be allowed the privilege of doing this screening procedure as a public health measure.

However, what has been overlooked—and the reason it was overlooked is because it became available after this whole controversy began—is that there is a machine which involves no drugs, no dangers and which is available both to optometrists and to ophthalmologists. It is a machine which does the tonometry just by blowing a little blast of air at the eye, with no risks and no drugs involved.

Now I respectfully suggest to the minister that with that machine available, why take the added risks? And if there is any question of the risks, I have some dozen of cases here in front of me of where catastrophes did occur in the use of drugs in the eye.

The Ontario Medical Association did a survey of some dozen different physicians here in the city asking them for examples. There was one patient at the Branson Hospital and one drop of local anaesthetic went into the eye. The patient went into deep shock. Fortunately, the patient was already on the table and there were physicians available to save the person's life. It is an extremely dangerous procedure to put drugs in patient's eyes unless you have a team there that are competent to handle the complications that may arise.

What the minister is doing is playing the numbers game. That numbers game is going to rebound. Whether it is one person in 100 or one person in 500 or one person in 1,000, does he really want, in a screening procedure, to knock off that odd person? Is he going to be happy when he gets the first death in an optometrist's office; or the sixth or the tenth?

There has been some comment made about what is going on in England. The suggestion was made that optometrists were allowed to use drugs in England. I have the facts here.

There are no optometrists as such in England. There are sight-testing opticians, who are the equivalent to what an optometrist is here, and they are not allowed to use drugs in commercial practice. They are allowed to use drugs only in hospitals where the optician is part of the team; in other words where there is medical help available to handle the problem.

That is really what the minister should do here. No one questions the situation in which there is medical help available. If there is a team set up or a clinic set up or a hospital set up, by all means let the optometrist or the optician or the technician put the drops in the eye. But if that optician or that optometrist is alone, where there is no help available, you are going to have death, Mr. Speaker.

I think the government is playing a numbers game for which there is no need, and is going to lose a few lives for which there is no need; because it just isn't required. If they want to do the screening procedures, let them do it with the air puff tonometer.

And for goodness sake, let the minister talk to them about this fee schedule of theirs in which they presume they have powers—perhaps they have, and we will find out—in which they presume they are going to be able to do things that the minister says they are not to do.

I am not going to press this any further. I think it has all been discussed in some detail by other members of the House. I am just inviting the minister to reconsider the matter. I think he has made an error but it is not too late to repent. Thank you, Mr. Speaker.

Mr. Speaker: Does any other hon. members wish to speak to this bill?

Mr. V. M. Singer (Downsview): Yes, Mr. Speaker.

Mr. Speaker: The hon. member for Downsview.

Mr. Singer: Mr. Speaker, I want to address myself particularly to the whole question of disciplinary procedures.

I hope I could have the Minister of Health with me. Perhaps I will pause until he is free.

I want to direct myself particularly to the disciplinary provisions that are set out in this Act, and which seem to feature a large part of the introduction of this bill. They are really overblown in the advance statements of the minister, and when read carefully are no more meaningful than the procedures that presently exist in the Province of Ontario. What they talked about when they brought the bill in was the establishment of a Health Discipline Board. That is dealt with in section 6 of the bill where the board is established.

With the makeup of the board perhaps there can be some technical arguments. The powers given to the board in section 7 are that they are to conduct hearings and to perform duties that are assigned under this or any other Act and make an annual report.

Up until that point it really sounds very fascinating, Mr. Speaker, until you get down to some of the more meaningful parts of section 8 of the statute and you find that when the board has made a review it makes a report about each decision. I wonder if it has occurred to the minister that it is a part of natural justice that reasons be given for decisions; and since there is no requirement in the statute that reasons be given, the odds are probably 99 per cent in favour and one per cent agains a situation in which any decisions being brought down will be—I have just had a note, Mr. Speaker, and I am going to interrupt and ask you if you think there is a quorum; and particularly to note that while this important debate is going on there are two hon. members of the Conservative Party here, one minister and one hon. member.

Mr. Speaker: Order please. We will check and see if there is a quorum or not, first of all.

Clerk of the House: There are 14 hon. members present, Mr. Speaker.

Mr. Speaker: There is not a quorum then.

Mr. Speaker ordered that the bells be rung for four minutes.

Mr. Speaker: Order, please.

Clerk of the House: Mr. Speaker, there is a quorum present.

Mr. Speaker: Since there is a quorum, the member for Downsview may proceed.

Mr. Singer: Thank you, Mr. Speaker. As you perhaps know, sir, it's not usually my wont to count noses in the House, but I think it is particularly degrading to the parliamentary process when a bill as important as this one can be before the House and it doesn't behove any more than two government members to be present.

Mr. Breithaupt: When I spoke, there was only one.

Mr. Singer: However, let me continue.

I was beginning to talk about the disciplinary proceedings as set forward in the Act and to tell the minister some of the things I think are wrong with them.

The first point I had dealt with was the question of a direction in the statute to this board to give reasons for the decisions they make. I was beginning to make the point, Mr. Speaker, that if the minister or his draftsmen or advisers were at all familiar with any of the matters dealt with by Mr. McRuer in his report to the Legislature, they would know his emphasis was on natural justice.

What is surprising to me, Mr. Speaker, with those reports before us and with so much legislation stemming from those reports, is that when we have an apparently all-embracing statute such as the Health Disciplines Act, no one apparently has paid any attention to the recommendations about natural justice as put forward by Mr. McRuer.

Then in section 8(2) there is no requirement that the complainant be present when the board holds a hearing. I would think he should have a right to be present. I don't see that he is entitled to be represented by counsel, and I think that should be written in. There's also the question of an appeal from a board that may be very arbitrary in its nature and in its approach, and there doesn't appear to be any appeal procedure provided at all.

Also, there is the question of the record which this board can summon from the subboards in the various disciplines, and whether or not the complainant is entitled or should be entitled to have a look at that record. After all, Mr. Speaker, the complainant is the person who is being affected. And if the complainant is not going to be allowed to look at the record—and believe me, if the statute doesn't say the complainant is going to have access to the record, the complainant is not going to have it—then what is the purpose of setting these things out and making such a big fuss about them?

Then I wonder what power the board is really given, because surely if there is some purpose in this there should be some ability granted to the board by statute to award damages or to order rectification, and there is certainly no mention of anything like this. I see the department solicitor is nodding at me. I am quarrelling with the very concept that the minister puts forward, because he is preserving the so-called right to the complainant to go before the courts of Ontario and to argue in the painful and difficult way against medical or dental or any other of the health disciplinary fields where negligence is alleged.

And this is wrong. This is wrong for a variety of reasons that I have enunciated and which many members of this House have enunciated over the years. The minister brings this forward with flags flying and banners flapping in the wind, saying this is something new and something different; and it's more of the same old nonsense.

All the government has done is interpose another board that can hold meetings in camera; that doesn't entitle a complainant to come before it; that doesn't allow the complainant to go there with counsel; that doesn't allow the complainant to have access to the record; and, in due course, if you're lucky, you'll get a letter saying: "We accept your complaint" or, "We reject it"—period, end, and that's it.

If you don't like it then you can start all over again and go through the court procedure.

Well I have a private member's bill on the order paper, Mr. Speaker, which sets up an alternative; and if the minister hasn't already read it, I commend it to his immediate attention. Hopefully it will be debated soon. The one hour private members' debate is a little frustrating in its content, because rarely does a minister come forward and take part in that debate or give us any idea of what his ministerial views are. Perhaps we will hear

some of them later today or later during the concurrence of this report.

I say, Mr. Speaker, deliberately and with as much conviction as I can summon, that these sections 8, 9 and 10 and all the nonsense about setting up the board, is a meaningless bunch of paper designed to present an appearance of something that isn't happening. All that really has been done is to set up another administrative board which apparently is going to salve somebody's conscience but is not going to help complainants.

The board may review decisions made by the various complaints committees, and then Mr. Speaker, if you will turn with me to section 58, you'll see what the complaint committee is given power to do:

> The complaints committee shall consider and investigate complaints made by members of the public or members of the college regarding the conduct or actions of any member of the college, but no action shall be taken by the committee under subsection 2 unless . . . a written complaint has been filed and that the committee has examined.

Again, the complaints committee, in which this board sits on review, does not have to hear the complaint. They have to have a piece of paper from the complainant and they will meet in camera.

The complainant again is not entitled to look at the records that come before this complaints committee. He is not entitled to be represented by counsel. He is not entitled to have reasons for the disposition of the complaint.

> The committee in accordance with the information it receives [not after it's had a hearing] may . . . direct that the matter be referred in whole or in part to the discipline committee or the executive committee for the purposes of section 62.

Well if it is a matter of discipline or executive committee, perhaps that should be dealt with in a different way. But surely the complainant—the most obvious complainant envisaged by this Act; the one we are talking about in most instances—is the individual citizen who feels he has a grievance. If the individual citizen who feels that he has a grievance isn't given the opportunity to appear; to know what the facts are from the documents, which he usually can't get at; if he hasn't the opportunity to be represented by counsel; what is the use of the procedure?

Looking at what the complaints committee may do, one has to go back again to what the board may do. The board may intervene where the complaints committee hasn't done very much and ask the complaints committee if it's not going to do something—and the thing can get bounced backward and forward for what would appear to be an indefinite period before the complainant gets a decision from the complaints committee or the board.

But they're being very good, Mr. Speaker. They are allowing a limitation period of two years, so that if the complainant has got nowhere by these secret meetings—if in fact they do take place—he has been unable to obtain the information, if he's had the difficulty that many people have faced in trying to come to grips with the great array of legal talent and with the great medical reluctance to make documents and records available, he has the great privilege of trying to fight his way through the courts in connection with a matter of this sort.

I say very simply, Mr. Speaker, that these procedures, as set out in the Act, are quite useless. The creation of the board achieves no useful purpose. The minister seems content to say that he is solving the question by creating yet another administrative body, only this one he cloaks with anonymity. He gives them the power to sit in camera. He gives them the power to make decisions and review matters without telling anybody the basis on which they're doing it. He gives them the power to exclude the very persons affected. And he says: "This is new and important; this is an advance procedure for dealing with medical complaints."

I say, Mr. Speaker, that the longer we go on in this Legislature the more we have to wonder if we ever make any progress. I would ask the minister to take those particular sections back to the drawing board and establish a procedure whereby the rights of complainants, at least, are respected.

Take a look at McRuer. Take a look at what he says about natural justice. Take a look at what should be the rights of individuals—the right to be defended by counsel, the right to get records, the right to have reasons for decisions, the appeal procedures and so forth—and seriously investigate whether or not in fact he hasn't moved a step backward instead of a step forward.

Mr. Speaker: The member for Sudbury.

Mr. M. C. Germa (Sudbury): Mr. Speaker, I would like to deal with part II of this Act, which has to do with dentistry and its implications in connection with the denturist squabble, which has permeated this province for the last several years.

We all know that past attempts at resolving this issue have really not succeeded in accomplishing anything more than confusing the total electorate, not to mention those people who have been making a living in the practice of manufacturing full denture plates.

I see that the Royal College of Dental Surgeons is left intact and that there is provision for very limited lay participation on the board of governors of the dental college. However, it does not relieve the public of this sort of incestuous body, which has been controlling the delivery of these services for many years.

The Act goes on to espouse the provision which was passed earlier in this House that would provide that certain dentists in certain communities would be encouraged to deliver false teeth at a price of $180. We know from past experience that this has not resolved the problem, and yet the government persists in rewriting something that is already redundant.

We've already had the experience of the past few months, and the horror stories that are coming out of this legislation are innumerable. I'm surprised that this brand-new minister would go ahead and include within this Act something that has already proven to be not workable.

Recently, even the Premier of this province (Mr. Davis) in a radio programme on April 28, making reference to the low-cost denture programme, said it has not worked effectively. He said that on a recent CHUM radio programme. If the Premier of the province himself condemns the low-cost denture programme I see no reason for it to be perpetuated in this new Health Disciplines Act.

I think as long as the delivery of dental services to the people of Ontario is left in the control of the Royal College of Dental Surgeons, this kind of thing is going to persist. I think these people have a vested interest in controlling the manufacture of false teeth and until such time as they are relieved of this control we are not going to go anywhere.

We know there have been private bills introduced, not only by me but by the leader of the Liberal Party too, and I can support either one of them. They would allow a denturist to deal directly with the public but, lo and behold, it states here that the Denture Therapists Act of 1972 shall persist. We know that the people who have qualified under the Denture Therapists Act are having difficulty in gaining employment. The whole problem of supplying ourselves with false teeth is not being resolved by the introduction of this bill and I would like the record to show that for this reason alone I have to vote against this bill.

Mr. Speaker: The member for York Centre.

Mr. D. M. Deacon (York Centre): Mr. Speaker, there are two or three things which worry me about the major omissions in this bill. As my colleague from Downsview said, the discipline provisions were intended to protect the public and yet there are so many deficiencies which he brought up; I wanted to bring out one or two others which concern me, particularly with regard to the makeup of the discipline committee.

I would presume, although it doesn't say so here, that the minister would set out conditions whereby these hearings are held in the evening and held in the location where the problem has arisen so the public involved doesn't have to travel great distances or give up time during normal working hours to attend any of these hearings. This in itself causes a great deal of difficulty to those who want to get their case brought before the discipline committee, or want to bring a case before the committee to see if something can't be done to correct something.

We also have such a shortage of public appointees, those appointed by the Lieutenant Governor in Council. Each is just one member of the panel of five or more and yet we have a quorum that one person must always be there. In the case of the optometrists, the public appointee is only one person out of five, I think, on the discipline committee. What if that person is ill? Does that mean the whole thing has to be put off? Should we not have provision for more representatives to be appointed to these discipline committees to be sure, in principle, that in all cases it is possible for those hearings to be held without delay and with more flexibility?

It seems to me there isn't adequate representation or flexibility provided to ensure there is no need for delay because of the illness of one individual. In all cases the Act spells out that a quorum shall consist of three or five, whatever it might be, but it must have at least one member appointed by the Lieutenant Governor in Council. I would like to be sure that we do provide for flexibility and that these committees can hold hearings in other parts of the province, which will not be held up because one person, a member

appointed by the Lieutenant Governor in Council, is unable to be present.

I would ask the minister to check into that and bring in amendments which would increase the number of representatives on the discipline committees to help forestall such an event.

Mr. Speaker: The member for Riverdale.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, I have four or five comments I want to make on the bill.

The major concern that I have about the bill is the evolution which has taken place in this health board that is established by the bill, during the period of time from its original conception in the report of the Committee on the Healing Arts and through the proposals with respect to the Health Disciplines Act, which were tabled about a year ago for study and observation by interested persons, and the result as it appears in the bill which is before us.

The transposition is significant. The powers which are set out in section 3 of the bill with respect to the duty of the minister and his responsibilities are taken almost word for word from the legislative proposals except that in the legislative proposals, which were tabled a year ago, the health board was charged with those duties and responsibilities. In particular, the former Provincial Secretary for Social Development (Mr. Welch), when he tabled the legislative proposals, refers to the unique decision which has been made with respect to the board, and I quote from his statement which he made at that time, which was on June 28, 1972:

> Of particular interest is the establishment of a Health Disciplines Board. It is proposed that this board will be composed of no more than seven lay persons, not members of any of the health disciplines, and it will represent the public interest. It will be given substantial authority over all the health disciplines and will be responsible for ensuring that the health disciplines are effectively regulated and co-ordinated. The board will also act as an appeal board on registration matters. An applicant who has been refused registration may appeal this decision . . . and the board is also being empowered to review complaints.

Well when this minister introduced Bill 22, which is being considered by us today, he had, of course, no particular comment to make on the substantive change which took place during the period from June, 1972, until April 2 of this year when he introduced this particular bill. He refers to the fact that the bill as presented by him is the result of public discussions or other discussions which took place over a period of many months with interested groups, including the public. He went on:

> This Act, Mr. Speaker, ensures that the activities of health disciplines are effectively regulated and co-ordinated in the public interest. [But of course this time it is by the minister.] It also ensures that appropriate standards of practice are developed and maintained and that rights of individuals to services provided by health disciplines of their choice are safeguarded. [But again by the minister.] The legislation now before us embodies some changes from earlier proposals. All of these changes have resulted from information and advice gained through public discussion.

He then goes on to speak about the limited responsibilities then conferred upon the Health Disciplines Board.

Well, that is a substantial change in the conception of the governing body which was to be established with respect to the health disciplines, and I think that we need a very clear statement—and not the very indirect statement made by the minister in introducing this bill—as to why it is considered that those responsibilities which were to be imposed upon the health board have been now, word for word for practical purposes, taken by the minister and removed from the health board.

There is substantial emasculation of the health board.

I need only refer very briefly to the original conception of the Health Disciplines Board as set forth in the first volume of the Committee on the Healing Arts, where the various recommendations are related as to the function which was to be carried on by this particular board. There are some very detailed statements.

But the main overriding governing body was also to be provided by the board with respect to this co-ordination function, with respect to the interface relationships between the various health disciplines, with respect to the need to make certain that the public and the individual person seeking a service were adequately serviced by the health disciplines.

It seems to me that is a very fundamental change in the conception of the board's function and has resulted in the substantial emasculation of what we had considered to be the purpose to be served by the board.

In our discussions in the caucus there was, I may say quite frankly, an endeavour to find the reasons behind the decision of the minister to make this change. It requires explanation. It cannot go unanswered on the second reading of the bill. It is one of the principal reasons why we in this caucus for other reasons which were detailed at great length by my colleague the member for Parkdale, are going to oppose the bill.

I suppose it can be said quite frankly that we consider, certainly I consider that until such time as such a body is given the responsibility for the co-ordination of the health disciplines in the provision of health services and the question of the basic policies are left with the minister as well as the responsibility overall for the administration of the Act; that until that is done we are not going to solve the basic problem we face in the field of the provision of a broad range of medical services and paramedical services, simply because of the entrenched position in a favoured place of the medical profession and of the dental profession.

As a lawyer, I have to give consideration always to what I would think or feel if a similar restructuring was made with respect to the legal profession. I think that while there hasn't been the development, due to the extreme monopoly position given the Law Society of Upper Canada, there hasn't been the development of the kind of paralegal services in the way in which they have developed in the field of the provision of health services, nevertheless I would think that one of these days the extreme monopoly position of the legal profession is going to have to be substantially watered down and a number of paralegal facilities provided in order to provide services which can efficiently be provided by other specialist groups to the public.

I would think that will only come about in the way in which the public interest will be served if, in fact, a similar board—similar in conception to the kind of board as set out in the legislative proposals with respect to the Health Disciplines Act—is established for the legal profession.

And in answering that question it seemed to me that the same considerations apply very much so far as my thinking is concerned, and shared to a considerable extent by my colleagues in the New Democratic Party caucus, that the health board as set out in the original proposals is by far the soundest method to deal with the basic problem which relates to the long-term predominant position and continuing dominant position of the medical profession and of the dental profession in the field of the provision of this broad range of service.

We are not going to be able, in the Province of Ontario—and it's trite to say so—to provide the kind of range of medical services that is required by continuing the undue domination of that whole field of services by the two traditional professions. I have similarly stated my own particular view with respect to the domination of the provision of legal services in the Province of Ontario by the Law Society of Upper Canada.

It therefore seems to me that the minister, on the second reading of this bill and in answer to it, must explain in some substance and detail why it was necessary to transpose from the responsibilities of the health board to the minister the essential gut relationship that was to be established as set out in the legislative proposals. When he takes that away, he leaves a very emasculated health board. It is severely emasculated, because when he takes away the overall co-ordinating function as set out in section 3, now given to the minister, and leaves it only with the complaints function and the question of appeals for purposes of registration, then he has given the board very little power.

The board doesn't have the kind of powers that it should get. I believe, even in the limited field of dealing with complaints and in the limited field of dealing with appeals from refusals to register, that the very limited functions which are given to the board indicate quite clearly that the minister wishes to continue the domination of the professions with respect to the answering of complaints.

The reason I say that is that the board, after reviewing or investigation of a complaint, may:

> Confirm the decision, if any, made by the complaints committee;
>
> Make such recommendations to the complaints committee as the board considers appropriate; or
>
> Require the complaints committee to take such action or proceedings as the committee is authorized to undertake under the applicable part of the Act.

Anyone reading that from the strict point of view of a lawyer looking at the jurisdiction of the board with respect to the complaints committee, can see that that is a severely curtailed power.

The normal provision with respect to a board vested with appellate jurisdiction, such as the complaints committee with respect to complaints and with respect to registration, is that the board itself should have power to confirm, reverse, alter or vary and substitute its opinion for the opinion of the lower body. That is the normal and traditional appellate jurisdiction. When, in this Act, the minister curtails that appellate jurisdiction by setting out the three powers which I have quoted verbatim from the Act with respect to complaints, then members can see very clearly even in the emasculated form as it appears in this Act, the board itself has a very severely limited jurisdiction.

Everyone knows that even the power to require the complaints committee to take certain actions or proceedings is limited to the kind of thing which it is authorized to undertake under the applicable part of the Act. That very phraseology does not provide for the decision with respect to the complaint to be made by anybody other than the basic professional body.

I want the minister to understand that he is retaining within the professions the ultimate question of the nature of the solution of the problem raised by the complaint. I am simply suggesting to the minister that this board, with respect to the limited jurisdiction about complaints and about registration, must be given the power to confirm, to reverse, to vary or amend, and to substitute its opinion for the opinion of the board with the lower jurisdiction. It would appear to me that at least in those fields, if an amendment such as that were made, then the board itself would have some kind of appellate jurisdiction. And I think it's very essential that it have that kind of appellate jurisdiction.

The other aspect—and I put it in by the way—is that the procedure as set out here, subject to the flaws which were referred to by my colleague the member for Downsview and by the member for York Centre, is in fact an important procedure for serious complaints. It is much too elaborate and much too cumbersome with respect to a whole range of complaints which may develop, but which a particular citizen is not prepared to pursue through such an elaborate procedure.

It seems to me there should be some parallel, informal method of settling complaints by way of written submissions to the board if the parties to it agree, so that there is an informal and rapid and relatively less ponderous method of satisfying complaints of an important but relatively minor nature, as distinct from the whole range of serious complaints that may arise.

I think my remarks really relate to the complaints area rather than to the registration area insofar as that latter remark is concerned, because questions of appeals from registration decisions are, of course, always of immense importance to the person who is taking the course of proceeding by way of the appeal.

The third matter which concerns me greatly is that the minister explained that when he was introducing this particular bill he was only introducing at this time the particular legislation dealing with the five major health disciplines. Why that would be so, why he could not have introduced the omnibus legislation covering all of the various fields which are set out in an appendix to the statement originally made by the then Provincial Secretary for Social Development relating to the other fields which we are going to have to deal with at a later time, is, it would appear to me, a relatively specious argument because it certainly could have been done.

I took the opportunity when the bill was being considered to set out for my own convenience the correlative sections of the bill with respect to each of the professions. And of course the basic structure as accepted by the government for each of the disciplines—that is the structure with respect to its governance, the governing body, the definitions, the qualifications and requirements for membership, the provisions with respect to the council of the governing body, the powers of the minister with respect to the particular health disciplines, the regulations, the bylaws, the licences to practise, the committees; all of those various headings have their common clause in each of the parts dealing with the particular health discipline.

For example, membership is dealt with, insofar as dentistry is concerned, in section 22; insofar as medicine is concerned in section 47; insofar as nursing is concerned in section 71; insofar as optometry is concerned in section 93; insofar as pharmacy is concerned in section 119.

I am quite certain that the form of the structure of the governance of each of those disciplines is going to be substantially repeated in the other disciplines as those parts come before the assembly. I simply say that for any overall view it seems to me to be ridiculous, without more adequate ex-

planation, why we are given this bill after all this period of time in such a piecemeal form. I can't understand why it can't be done all at once and why it wasn't done all at once.

The third area, is again related to this question of the domination of the traditional professions. And I say that in no denigrating sense; I simply say it in a sense that we must provide more flexibility and more interrelationship between the health disciplines in order to provide adequate health services to the people of the province.

My concern is with respect to the definitions of the particular disciplines.

If my memory serves me correctly we have an almost precise definition of the field of the discipline of optometry. As far as I could see we had no definition with respect to the field of pharmacy and no definition with respect to the field of nursing. We have a definition with respect to dentistry which is a sort of combination. It means what a dentist usually does in the practice of his profession and includes and sets out, in relatively precise terms, a delimitation to give an indication of the nature of the field which falls within the area of the dental field.

Of course, when we come to the prima donna profession, the medical profession, the minister simply has in the definition that medicine includes obstetrics and surgery. It's not a definition at all, but in its broad phraseology of what's involved in the practice of medicine one can simply see that the domination of the field by the medical profession is part and parcel of the ministry's outlook toward the way in which this difficult problem of co-ordination and inter-relationship and service provision to people throughout the province is to be carried out.

I certainly suggest to the minister, Mr. Speaker, that those are very defective. It is extremely difficult even for the minister, who has now taken unto himself the various duties and responsibilities to which I referred earlier, to co-ordinate those health disciplines if he does not have better guidelines as to the scope and field of the various disciplines. It doesn't seem to me to make sense that he does not make some effort to define the field of the discipline of nursing or the field of the discipline of pharmacy. It doesn't seem to me to make sense that he leaves the field of medicine subject, for practical purposes, to no definition; because any lay person would have assumed that it included the field of obstetrics and surgery. For practical purposes, he leaves it wide open to whatever the traditional field of medicine has been as it has developed over a very long period of time.

The model, as I see it, should be a model somewhat along the lines of the definition with respect to the discipline of dentistry. That is, one defines the particular field in a broad sense but specifies it as including, in some detail, various areas which are covered within that particular discipline. That definition appeals to me; and it seems to my mind that the ministry should have been capable of coming up with some correlative type of definition with respect to the other areas which are included in the bill. I find it extremely difficult to decide, when one comes to this area, whether or not a person not otherwise authorized to practice in a particular discipline is, in fact, engaged in carrying on an act which falls within those definitions, when the definitions in their various ways of statement with respect to each of the disciplines are so wanting in some degree of exactitude and some degree of guidance.

I'm not suggesting for a single moment that one can be rigid with respect to definitions so that one compartmentalizes the health disciplines. That isn't the purpose. What one wants is the kind of definition and the kind of statement with respect to each of the disciplines which will allow for a reasonable degree of judgement in the interrelationships and in the areas in which there must, of necessity, be a certain degree of overlapping.

Mr. Speaker, those are the principle matters that are of concern to me in the bill. There is a further specific matter which we will undoubtedly deal with in the committee and which will be subject to representations when the matter goes out before the standing committee on social development. That is the question with respect to the extent to which retail merchants are to be allowed to have an optical service in their particular stores.

As I understand it—I have no special knowledge; I'm only talking about what I am told, but I have taken some effort to confirm it—I understand that having gone to an ophthalmologist and had one's eyes tested, if one then goes down to have the prescription filled in the T. Eaton Co. department store and goes to the optical place there to get a pair of glasses, one is in fact dealing with Imperial Optical. There is no sign saying one is dealing with Imperial Optical; one thinks one is dealing with the T. Eaton Co. and one is not.

I understand that the same is true with respect to the Robert Simpson Co. It is not Imperial Optical but an American firm, as I understand it, which presumably by con-

tractual arrangement with the Robert Simpson Co., has the right to establish its place in the Robert Simpson store and to provide that service.

They are separate and distinct businesses. One is not dealing with the Robert Simpson Co. or the T. Eaton Co. when one goes into their stores and gets a prescription filled.

Similarly, there are situations in which an optometrist carries on his practice under his individual name because, as I understand it, there is no provision for a corporation to carry on the business of optometry other than the strange exception which the minister has set out and to which I referred earlier.

But I understand that in the case of an optometrist who is practising his individual trade in a particular location and has built up a business and a reasonable amount of goodwill, it would not be unusual for him to sell out a 50 per cent interest in his business to Imperial Optical and to continue to carry on his business as an optometrist under his own individual name. People dealing with him to obtain glasses and the other services the optometrist provides do not realize and are not told that in fact there is a silent partner, Imperial Optical, in that business.

Again, I'm not speaking in denigrating terms. It is a common business practice for an individual who is limited in the way in which he can carry on his business to realize a 50 per cent interest in his business and thereby obtain the capital that allows him to do certain other things during the course of his lifetime. In most urban centres in this day and age, of course, there is little, if any, goodwill now attached to the individual optometrist if and when he dies and his estate tries to sell off something called his business and the goodwill in connection with it.

It is quite a legitimate business operation to realize 50 per cent interest, probably in cash or in some way in which it could be used for investment in other fields.

That again is not duping the public. The individual optometrist continues to carry on the business, he shares the profit 50-50 and there are other arrangements by which he is tied to Imperial Optical. But what happens when one deals with him is that one does not know that one is dealing with a tied house.

I think that the ramifications of that particular section of the bill, dealing with retail merchants having this kind of outlet and the kind of a business arrangement made by optometrists that result in the monopoly operation or semi-monopoly operation of Imperial Optical being extended, are ones that require much better care and attention than has been evident simply by providing that this particular part of the bill dealing with optometry, part 5, does not apply to the method of carrying on business which I have described at the optical services divisions of the T. Eaton Co. and the Robert Simpson Co.

I assume I am correct. If I am not correct, perhaps the minister has the correct information. Certainly it is a well considered, accepted account of what, in fact, takes place if you deal with the Robert Simpson Co. or the T. Eaton Co. It is also well known that if, in the instance which I have used, an optometrist has sold off 50 per cent of the goodwill of his business, there is no way when you deal with him that you know that you are dealing with a silent partner who is Imperial Optical and which is part of the overall monopoly.

I must say that I made some effort to acquaint myself as a layman on this vexed question of the use of drugs by optometrists for optometric purposes simply by having one or two discussions with people in the fields whose judgement I tend to respect. I am inclined to accept the view expressed by my colleague, the member for High Park, that this is not a statistical game; that the person who suffers the serious side effects of the drug which is used for testing purposes, whatever the particular drug is—side effects which require immediate attention in most instances and are, as I understand it, quite frightening, both to the person who suffers them and to anyone who observes it—deserves to have, if it is possible to do so, the provision of immediate attention so that no untoward fatality takes place.

Statistically it probably doesn't matter. People are going to die from one thing or another. But certainly statistics must give way to the individual patient who may suffer that particular untoward event, which could be avoided if in fact a qualified medical practitioner who could deal with the after-effects were immediately present.

My understanding is that even at the Waterloo College the number of hours which the optometrists in their training spend in field-related to drugs is extremely low. It is extremely low compared to the nursing profession, extremely low in comparison to the dental profession; and of course, minuscule with respect to the time spent in the study of the effects of drugs by the medical profession in the course of attending their schools.

I don't presume to speak with the authority with which my colleague the member for High Park, or my colleague the member for Parkdale speak about it. I do say that I incline to the view that the medical profession, the ophthalmologists, are in fact, insofar as they are able to distinguish self-interest from the public interest—the problem we all have because we all would like to identify the public interest with our self-interest—but to the extent they can disengage themselves from it they are saying to the minister that in the public interest they have a very real professional concern. I don't think for a moment it is related to their desire to maintain monopoly in the field, because my guess is that optometrists and ophthalmologists and so on are doing quite well economically.

There comes about, of course, the continuous problem that my colleague the member for Thunder Bay (Mr. Stokes) and my other colleagues from northern Ontario raise. That is, what about the areas where there is no ophthalmologist present, what do you do? Is the optometrist to be denied this facility for testing people's eyes?

I don't know. I don't think the minister's short statement is an adequate answer. There must be an adequate answer to it, and I think there must be a fairly definitive one. I hope that when the minister answers and speaks on this bill he will deal with it in a direct and forthright way and not leave it up in the air to be solved by some kind of regulation which may not be adequate when you are dealing with a significant warning by a group of experts in the field such as the ophthalmologists.

Mr. Speaker, my other remarks on particular sections of the bill we can leave until the time when we are in the standing committee. I want to simply say to the minister how delighted I was to know he is sending this out to the standing committee so that a number of these matters can be aired with public representation and not just the input of the members of the assembly and committee of the whole House.

I must reiterate that those reasons—which were set out in much greater detail and with much greater comprehensiveness and expertise by my colleague the member for Parkdale—are the substance of the basic reasons why we in the party are opposed to this bill on second reading and why we will vote against it.

Mr. R. F. Nixon (Leader of the Opposition): We in this party intend to support the principle of the bill, although we are not satisfied with it in all of its particulars and we feel it has a very deep-seated flaw in the approach that the minister has been persuaded to take in the composition of the Health Disciplines Board and its specific responsibilities.

My colleague from Downsview has done a considerable study on this matter as, Mr. Speaker, I am sure you are aware. We agree wholeheartedly with the contention that he put before you earlier today that such a board must have its hearings in public where the circumstances particularly will permit it. There has to be the right of reasons being made available when the board reaches its decision. There are a whole list of inadequacies in the establishment of this as a board that will serve the public, and particularly those members of the public who feel that an injustice has been done by one of the health disciplines for which the board has responsibility.

It is regrettable that when a substantial departure is being made after a good deal of research and contemplation, and in fact delay, that the board cannot be established with greater powers that would permit it to command a good deal more confidence in the community.

I have been very sorry that there has been this delay in bringing forward the bill. I also feel that the minister is being very timorous in the way he has approached the recommendations in the Mustard report of the Health Planning Task Force.

I just want to spend a moment in that connection. When the report was tabled, Dr. Mustard had specific recommendations—for example for establishing an implementation committee without delay. But the minister said that although the cover of the report is orange he considers it green—whatever that significance is—and essentially he has put it on the shelf to gather a little dust, because he does not want to move forward, specifically with the recommendations pertaining to a change in the administration at the regional level, that has been suggested.

I want to deal with an area of personal interest; and that is the scope set out for the various areas in this bill, particularly as they deal with the allied health professionals. We have been talking about this now for five or six years in the Legislature as it pertained to the responsibilities of optometrists, dentists, dental therapists—as they are now legally designated—or the denturists; who continue to practice against the laws of the Province of

Ontario even though it is expected that with a reasonable change of opinion those laws will be set straight.

I don't intend to make my denturists speech. You and the minister know my views, Mr. Speaker. I think the minister and I see eye to eye on this if the reports of his statements to those people from the dental profession and the denturists are to be believed. I simply look forward to the day when he and his cabinet colleagues can persuade his caucus—the Conservative caucus—of the reasonableness of changing a law that was entered into with inadequate study and is seen to be, in my view, unenforceable.

I did want to say something about the optometrists, since the scope of that profession has been the subject of the minister's discussions with ophthalmologists, optometrists, the Ontario Medical Association in general, and other members of the community.

I well recall the startled reaction from the ophthalmologists when, by way of letter, the minister indicated he was thinking of removing from them the right of examining patients except by referral. In other words, that the optometrists would in fact be the first contact with the eye profession, if you might call it that, or by referral from a medical doctor.

As a matter of fact the story never really was fully revealed, other than that the ophthalmologists seemed to be electrified to the extent that they contacted the private members in their own area and forcefully indicated that they did not want to be deprived of this right to deal directly and without referral. They even went so far, as a provincial organization, as to invite the members of the Legislature to a small repast, at which time they could express their views collectively and directly to us, which they did very forcefully indeed.

Now there seems to be another controversy and that has to do with the scope of optometry and the submissions by the OMA reflecting the views of the ophthalmologists that the optometrists should not have the right to use any drugs whatsoever in the eye for the assistance of their examination procedures. I've read the briefs from the optometrists and ophthalmologists carefully, and I must say to you, Mr. Speaker, that I agree with the principle the minister has put forward, that the optometrists should have the right to use certain carefully restricted drugs for purposes of examination.

I would also agree that the minister's statement so far has been inadequate, or insufficient, to satisfy either me or, I'm sure, the members of the OMA, specifically the ophthalmologists, that the restrictions are going to be sufficient for them to at least give their approval, or let's say to express their agreement. I doubt if the ophthalmologists would express their agreement to the use of even distilled water, but that's another matter.

Some members of the OMA who have spoken to me did not have an objection until the bill was brought down. As a matter of fact, there was some indication that since other jurisdictions had permitted optometrists to use some of these drugs – I should have a proper name for them and I think it is in my notes. What do you call them?

Hon. Mr. Miller: Topical anaesthetics.

Mr. R. F. Nixon: Topical anaesthetics. Do those dilate the pupil?

Hon. Mr. Miller: Those are mydriatics.

Mr. R. F. Nixon: Well, let's say topical anaesthetics and mydriatics are the drugs to which I'm referring, and I personally believe the optometrists should have the legal right to use them.

I suppose, having worn eyeglasses almost since I can remember, and having had some personal experience with the professional advice and treatment of ophthalmologists and optometrists, I can say that I have a great deal of confidence in both these classes of professionals and would point out to you, Mr. Speaker, that about 60 per cent of the people of the province do not have ready access to ophthalmologists. I think we should also understand that the high level of professional attainments of the ophthalmologists, in my view, should be reserved for perhaps more important examinations and treatments other than simply the refraction that is necessary in order to prescribe spectacles or eyeglasses to correct problems of vision.

I was interested to read the report of the Committee on the Healing Arts which states, on page 251, recommendation 127:

> That the Optometry Act be amended to permit the use by optometrists of drugs needed for diagnostic purposes provided that the undergraduate programmes in the use and effect of such drugs are instituted and that optometrists now practising who wish to use drugs meet the requirements of a postgraduate course to be offered by the School of Optometry.

There have been other recommendations, including the federal royal commission report that was written by Mr. Justice Emmett Hall

some years ago that made a similar general recommendation.

Other jurisdictions have permitted optometrists to use these restricted drugs. The United Kingdom for one, Pennsylvania quite recently and Rhode Island before that; and it seems to be more and more accepted that optometrists, as long as their training is specified and accepted, have this right and its very great responsibility.

I have in my hand, Mr. Speaker, the booklet setting out the course presented to the students at the School of Optometry, the Faculty of Science, University of Waterloo, which as you know prescribes a five-year course for optometry.

If I have any criticism, it seems to me that in five years a person interested in this profession might very well have taken a medical degree, if he or she could have obtained admittance to a medical school. A superficial examination of the curriculum will show that in year five a course in ocular pharmacology is presented, two lectures a week. I don't believe it's for the full term, but the description indicates that it is a part of the formal training, that by the way gives the graduates of the course a doctoral degree in optometry.

I notice in passing that nothing in this bill prohibits the allied health professionals from using the term "doctor." I would assume that since these graduates have a doctoral degree from a recognized provincially-assisted university the question as to whether they are going to be known as doctors or not would be settled by the omission from the bill of any specific requirement in that regard. That will please a great many optometrists and annoy a great many medical doctors. I have no objection to this. As a matter of fact, being a patient of an optometrist myself, and recognizing the fact that he has a doctoral degree, I usually refer to him with that title and I don't think it's anything other than a recognition of his attainments.

The argument, that there may very well be a confusion in the minds of certain people that the optometrist is in fact not a medical practitioner and therefore does not have either the abilities or the responsibilities to treat a wider range of ailments, may be valid, but after all educational procedures now extending to five years warrant the kind of recognition that the bill tacitly permits.

I feel, however, that the bill could have included a section that by law requires the optometrist to report any pathological circumstances to a medical practitioner or make some indication to the patient of the presence of these pathological indications. Perhaps this is not necessary; surely it would be almost unimaginable that any information such as this that came to the attention of the optometrist would not be so reported; but there are other instances where such a requirement is a part of the enactment and it is perhaps something that we should give some consideration to.

I wanted really to make my position clear in this regard, because there has been perhaps an exaggeration of the threat and danger to the public health or the individual wellbeing in the provisions of this statute which does extend these powers to use certain restricted drugs to optometrists.

The good doctor from High Park added to this probably more than any other spokesman for the OMA when he indicated that some people will lose their vision and some people will lose their lives. I hope that this is an exaggeration, because there have been medical opinions expressed in less extreme terms than that. I realize that the opthalmologists and the Ontario Medical Association in general do feel a heavy and almost corporate responsibility in this regard. We have seen the dentists bringing forward their strong, and to them valid objections to extending even the right to fit dentures to a group that does not have their full professional, and I suppose paramedical training.

I have a strong prejudice myself, in no way against doctors, but certainly strongly in favour of those people who are generally referred to as paramedicals, or more properly allied health professionals. As long as their course of instruction comes under the approval and supervision of the Ministry of Health and their methods of practice have their scope carefully outlined in legislation, such as the bill that we are dealing with today, it might be easy for a prejudiced person to feel that the medical practitioners and the dentists were unnecessarily protective of their prerogatives in this regard. I don't feel that, but it might possibly be for segments of the community to respond to their strong objections to any expansion of the scope of these allied health professionals in that way. That, I would say to you, Mr. Speaker, would be my feeling of support where the ministry brings forward as a matter of policy the type of expansion in scope that I have indicated, where there is a full administrative review of this scope and where it is carefully set out by statute with all of the safeguards that can be brought to bear through the powers of the Legislature and the undoubted

administrative powers of the Ministry of Health with their uncounted and uncountable experts, supervisors and general factotum.

Hon. Mr. Miller: That's me.

Mr. R. F. Nixon: The minister is the general factotum? All right, that may be.

I was interested as well in the comments made by the member for Riverdale in the application of this bill to optometric services, let's say by Eaton's and Simpsons and other large companies. I personally have an objection to that. I think it detracts to some extent from the professional safeguards that one might otherwise expect. It obviously becomes the kind of money-making operation that the shoe counter and the candy counter and the women's dress counter are. In my view it does not add to the confidence that the people might otherwise have in a professional service. I don't intend even to offer an amendment to the bill in that regard, although some of my colleagues might be interested in it.

It tends to bring back the whole problem that the fitting of eyeglasses has been subjected to when my colleague, the member for Ottawa East (Mr. Roy), brought to public attention the fact that the Ophthalmic Dispensers Board seemed to be dominated by Imperial Optical, however good its services. For many years I was fitted with glasses from that company. I have no doubt that there might even be a connection with that company and the glasses I wear right now. Maybe that accounts for some of my political myopia. I thought I'd say that before the minister did. It seems to me the stronger the professional aspects that can be brought to bear through legislation, the better.

Just in closing my remarks, I am quite enthusiastically in support of the concept of the bill, that is to use the powers of the Legislature to define carefully the scope of practice of these allied health professionals. That is the only way we are going to come to grips with the problems that have always arisen with chiropractors and other groups, where without a carefully definition there are going to be those few irresponsible practitioners who tend to go beyond the limits that one would normally think would be set professionally and by the internal procedures of an association of professionals. Obviously we cannot depend on that and it is our job in the Legislature to establish that scope.

I want to say that the concept is good and we are prepared to support it on that basis. We have some doubts, strongly stated by my colleague, the member for Downsview, about the powers that have been granted to the Health Disciplines Board and we will be offering amendments in that regard. I hope the minister, still being a reasonable man and not having had his feet and his mind set in ministerial cement as yet, will consider them, because we believe that board can be strengthened in its ability to serve the cause of justice, and particularly the cause of the individuals in this province who feel that otherwise justice would not be done.

Mr. Cassidy: Mr. Chairman, I want to raise a number of points about the bill, particularly in relation to nursing. I have to apologize to the minister because certain information that I have raised in the Legislature I had not sent to him up until now. It's something that has been on my agenda, particularly in relation to temporary nursing agencies. I will raise some of this material in the Legislature. I intend to send the material to the minister at the soonest opportunity and I apologize for the delay.

I want to talk about nursing because I don't think that a number of problems I have come into contact with in the relationships between the profession and the College of Nurses; the public and the College of Nurses; and the College of Nurses and certain commercial agencies active in the nursing field, are adequately dealt with in this particular field. I think in addition there is a very serious weakness in the whole structure of the discipline provisions of the College of Nurses. It may affect other health disciplines as well, but since this is the area on which I have some information I would prefer to talk about nursing alone. I would recommend to the minister, though, that he and his people inquire into the disciplinary situation in other health professions as well to see whether there is something comparable to this particular situation.

If I can talk about discipline first, it's clear that the various colleges, including the College of Nurses, are being given an enormous responsibility to apply professional standards, to ensure that every registered member of their college is practising within the limits of professional requirements and to protect the public against malpractice. However, that protection against malpractice in the case of nursing rests on a very slender foundation.

It rests on a slender foundation because disciplinary complaints are only brought to the attention of the college by a complainant. When one gets down to it, one finds in a typical year there are very few complaints which have been registered with

the College of Nurses. In fact, the number of complaints registered with the college has been something of the order of fewer than 100 per year against all the nurses in the province. I believe there are something like 80,000 trained nurses in the province, although considerably fewer are actually registered at any particular time.

My figures indicate that about a third of the complaints come from the hospitals; about a third come from nursing registries, presumably mainly the non-profit ones sponsored by the nurses themselves; and the remainder come from other sources. The police are a substantial source of the remainder of the complaints, but there are very few complaints which come directly from the public.

These are handled by administrative means; and when one gets to the existence of the present complaints committee, one finds that no more than maybe six or eight or nine complaints are actually dealt with by the complaints committee in the course of a year. In other words, the other complaints are handled in an informal way or are fobbed off; God knows what happens to them.

Maybe they are dealt with quite satisfactorily but the comments of the member for Riverdale, I think, are very well taken if one applies them to the particular situation in the nursing profession. Clearly, the very elaborate means of handling complaints and applying discipline and using the agency of the Health Disciplines Board is pretty ineffective if only a tenth of a very small number of complaints ever reach the first stage of that process, which is the complaints committee of the College of Nurses.

According to the information I have, only three or four nurses were actually struck from the roles—in other words were actually disciplined—over the course of a typical year. These figures are averages, of course, for the last three or four years. I don't know the figures for the most recent year.

I think it's clear that the College of Nurses is not nearly as tough as, say the College of Physicians and Surgeons. It may also be that it's more difficult to pin down responsibility in the case of a nurse than it is in the case of a doctor or someone else, but I am not convinced about that particular argument. I am really not convinced.

It seems to me there's another set of facts which may also fit the situation and which may be fairly worrisome and that's the following. As the minister knows, many nurses in the province are employees. They work for a hospital or they work for a public health unit. They have a professional job as employees. If their standards start to slip or if they start to take to drink or if there is some suspicion of drugs or something like that, the tendency, it seems to me, has been that the nurse is quietly let go from that particular institution or employer. There may even be a little quiet chat with the superintendent, a nursing sister, a director of nursing, or it may be even just another friend on the floor at the same level, who says: "Look, you are not hacking it. Why don't you go off and do something else?" But there is nothing to stop that nurse coming back into nursing at another point, because normally action of a disciplinary kind is not taken.

What happens then is that the nurse quite possibly slips down the ladder from her prestige job to a less prestigious job; maybe she lands up working for a nursing home operator who is trying to meet the regulations at the least possible cost; maybe she lands up working for a temporary care agency which is not particularly worried about the credentials as long as she has an RN after her name.

Now, the College of Nurses has, to say the least, not been assiduous about its disciplinary review, about raising the consciousness about the possibility of discipline. It does not publicize, in the same way as the College of Physicians, the results of its disciplinary actions; I think that the actions of the College of Physicians are themselves wanting, but nevertheless at least the public is aware through publicity that if you think you are being mucked about with by your doctor you can put in a complaint.

I think the minister is aware of the fact that for the ordinary individual—a patient, or the relative of a patient, or a former patient—it is difficult anyway to raise a complaint and to file a complaint and to do it in written form. It's more difficult when you have to go through the number of stages which are provided for in this particular bill. And it's more difficult too when the College of Nurses, the body governing in this particular situation, makes no effort to make it known that this disciplinary provision exists.

What I am saying is that that is a very slender kind of basis on which to base the authority of the College of Nurses over people who are already registered. A nurse could keep paying her $6 a year for registration, not practise for 30 years, and at the end of that time could walk into a hospital or a

nursing home or someplace else that wanted a nurse and would be legally entitled to practise.

I checked it out in the case of my own mother who is retired and who has not practised as a nurse since about 1943. By accident she is qualified in British Columbia and has never been registered in Ontario. Had she registered in Ontario when we came here in the 1940s she would now, after 30 years and despite some very serious illness, be entitled to work as a registered nurse in the Province of Ontario.

In addition Mr. Speaker, I'm told that while the College of Nurses is pretty tough—and I'll talk about this in a minute—with people who come in from outside the province and seek registration in the Province of Ontario—in fact it's arbitrarily tough in certain instances as the minister may be aware, and I will make him aware in a minute—the hospitals which are the major employers of nurses are not very careful in some cases, are incautious in other cases and are downright careless in others, about vetting the qualifications of people who come to work for them as RN's.

I have not got direct evidence of this but I have it on very excellent authority that hospitals are inclined to accept the word of nurses when they come in that they are qualified. I understand there are a significant number of hospitals in the province that do not, as a practice, either get the qualifications of all nurses who apply for jobs or check them on a sample basis or on a selective basis when they have reason to presume there may be something that deserves checking out.

That, it seems to me, is a serious weakness. And it's a weakness which the College of Nurses should be aware of. It means that there is not a continual vetting of nurses' qualifications and competence. If the woman or the male nurse doesn't work out after a month or two, they get shunted off to some place where they can't do too much harm and then they get shunted right out of the hospital. Then they go and they find themselves work elsewhere.

This is pretty important because in fact the work that a nurse does isn't applying tender, loving care, as the minister is aware. The amount of intravenous solution that is given—the metering and monitoring of that, for example—or the amount or dosage of drug being administered by a nurse can kill or cure a patient. One mistake can cost a life. It's a serious business and therefore the question of professional competence is very much to be worried about.

In addition, Mr. Speaker, the College of Nurses apparently has, under the present regulations, an authority of some sort over the registries of nurses which exist in the province, both the non-profit ones which are co-operatives and the commercial registries. The minister is aware there is a large number of graduate nurses who are finding employment with these registries at subnormal rates of pay but who, in the situations where they are working, often carry out all the responsibilities of an RN. It appears they may have to work under the supervision, whatever that means, of an RN, but in practice they function as fully qualified registered nurses with virtually all the authority and responsibility of an RN. That's what the hospitals do and that's what the nursing registries have them do.

The vetting of qualifications by these nursing registries is totally inadequate. I have cases in my files here of people who have simply phoned up and said: "Hi, I'm a nurse; I'd like to get a job. I was trained in (—)" and then they name some obscure country. The answer on the phone is, "Why don't you come down and we'll get you out tomorrow?"

There is the case, the minister may recall it, of Betty Lee who was then writing for the Globe and Mail. She walked into a Toronto hospital, I think, and got herself hired as a nurse despite the lack of any qualifications here in the province.

The examination results of graduate nurses are often wanting. That is, they are often seriously deficient in a number of different subjects, according to the examinations of the National League of Nurses, but the standards required by the College of Nurses are, to say the least, not very demanding. Nevertheless they have had failure rates among graduate nurses as high as 60 and 70 per cent in certain cases. The failure rates are particularly high with nurses who have qualified in certain countries and who have come to Canada to try to work.

In the case of underdeveloped countries it may be that the wage the nurses can receive as graduates, without registration, is sufficiently elevated by contrast to their home country that there is no incentive for them to try to reach a qualification they can't get because of inadequate training in their homeland. So we have the situation of a kind of nursing proletariat which is tolerated in this province.

I wonder what people of the province would say if doctors trained anywhere in the world were permitted to practise in this province on a sort of a loose fraternal arrangement with some other fellow. Suppose they went into practice with somebody who's a qualified doctor in Ontario, took up an office at the other end of the corridor and practised to all intents and purposes, as though they were GPs or specialists, despite the fact that their credentials had never been vetted in this province. That would clearly be unacceptable and yet that is the position as far as nurses who are graduate nurses here in the province are concerned.

That's one side of the picture, Mr. Speaker. The other side of the picture is that when it comes to protecting something—I don't know whether it's the economic status of nurses or whether it's a kind of exaggerated view of the standards of nursing in the Province of Ontario—and applying these to foreign applicants for registration in the province, the College of Nurses has proved to be vindictive, arbitrary and irrational in its decisions. It has proved to be very difficult to work with.

This is a situation of which the minister became aware when he was parliamentary secretary to the Ministry of Health, eight or 10 months ago; it is a situation which, unfortunately, continues. I had thought that by the end of the year we had pretty much ironed out the situation; that most of the people with whom I was in contact, and others were in contact, who were seeking permission to write the exams of the National League of Nurses and to become qualified as RN's in this province, were well on the way.

You can imagine my surprise, then, to find out of 106 people in one group—the Association of Nurses Educated Abroad which had been trying for six months or more to get action from the College of Nurses and which had welcomed the revision of policies by the College of Nurses last September—of 106 people with whom they were in contact at the end of January or in early February, only 18 had become eligible for registration or had been given permission to write examinations in June, 1974. The apparently deliberate efforts of the College of Nurses to put people off has continued, and the mistreatment of people with exceptional qualifications has continued as well.

Frankly, I think that the credibility of the College of Nurses in coming down so hard on nurses educated abroad is dangerous and unjustified. It is dangerous because it encourages people to remain in a graduate status, rather than getting their registered status; and that means we have people practising as nurses in the province who just aren't qualified, or aren't known to be qualified, by any standards we have here in the province.

It is unjustified because of the exceptionally low-standard of qualification that is set for nurses who are educated in the two-year course in Ontario nursing schools. When our nursing graduates write the National League of Nursing exams set by the Canadian Association of Nurses, Mr. Speaker, they are required to get a passing mark of only 325 out of 700. It is a multiple-choice examination. As I understand it, you can't help by the laws of chance getting somewhere around a 25 per cent mark; that is about 175 marks. And in order to pass the exams, all you need is 325—which is something less than 50 per cent.

We are saying that on the multiple choice, people who are qualified to nurse in Ontario need know less than half the questions that are put to them on the standard nursing exam. The standard that is applied to applicants from abroad is slightly higher, 350. That is the standard that is applied in most other provinces—and it seems to me that standard too, is shockingly low and ought to be raised.

But when you look at the qualifications of people who have been seeking to get entry to nursing—particularly the ones who have been educated in Britain—it just boggles the mind the treatment that they have had from the College of Nurses. One asks oneself what on earth is it that this college is trying to protect if the nursing programmes in the province are such that people can't even get what is normally considered to be a passing mark.

Take a woman named Dorothy Thomson, who is now working as a graduate nurse in Belleville because she has only just been accepted for the examinations in June. She had a grade 13 education in Scotland; three years training as a sick children's nurse; first prize in anatomy at the Aberdeen Royal Hospital, an excellent institution; first prize in her final class; 2½ more years training at Aberdeen Royal Infirmary for a registered general nurse; first prize in general training in her class; a prize winner somewhere along the way in anatomy, and in physiology; sat her obstetrics examination in Nova Scotia; charge nurse and hospital supervisor in various hospitals in Nova Scotia.

In September, 1972, she moved to Ontario with her husband and applied to the College of Nurses of Ontario for registration, giving them the transcript and the other information that they would normally require. She received a letter back from them, saying: "We find that you don't have the academic requirements necessary for admission into nursing in this province." In other words, go back to high school. "We also find that you are deficient in the areas of social and biological sciences, and pediatric nursing." This particular woman had taken three years as a sick children's nurse. When she went down to talk to the college they said: "Oh no, we didn't mean pediatrics, we meant psychiatric nursing." And they changed that requirement.

She pointed out to them she had had biology in her high school, that she had been a prizewinner in anatomy and physiology—but they refused to relent on the question of biological sciences. Eventually they sent her a letter saying they would waive the requirement for high school, and that if she would take the course in sociology, and a course in psychology at Loyalist College, and if she would then enrol in a school of nursing and complete a course in psychiatric nursing, then they would consider that she could come forward for the exams.

Some of those regulations have changed Mr. Speaker, but the latest round—I think I have it here—from the College of Nurses was that in October, 1973, with the new requirement, they finally decided she would be eligible for the examination. They still refused to recognize that she had written her obstetrics examination in Nova Scotia and she had written the examination which they required of her. The whole tone of the letter was to leave her still in the dark.

I'll quote one sentence. "As part of the requirement for registration at the nurse level in this province you must pass our provincial registration examination." But she had gone through so many hoops at this point that she was not aware—and had to find out from the college—whether this was the final hoop or whether there were not other requirements she would have to meet. Ninety days' notice was required before she could sit the exam. Since the letter came on Oct. 10, she was too late for the January exams and is now sitting the examination in June.

The college is a very curious body, Mr. Speaker. There are a number of cases I can communicate to the minister in which when I have phoned up and asked about a particular case, that particular case has been resolved very quickly. It is wrong that a professional college should have to work in that particular way and that it should respond purely to pressure. It is wrong that it should not have been actively seeking that make-up courses be made available for foreign-trained nurses if they did need obstetrics or psychiatry, one particular course. It has not been active in that particular direction.

What is particularly wrong in the case of the British nurses is that the college has made an enormous song and dance about transcripts for their particular course of study in their particular hospital. The minister is probably aware that in Britain there is a state curriculum and people have to write examinations to become a State Registered Nurse. To write those exams they must pass a course from a nursing school which is approved by the college of nurses of Britain or whatever that equivalent body is called.

Moreover, the British standards are known to be high and moreover, in Canada, the College of Nurses quite rightly insists on safe practice being proved. That is that there be some practice in Ontario or other jurisdiction by which it is shown that the nurse can practice well. There is the writing of these four examinations on top of the completion of all the requirements for a certificate from another country.

Nevertheless, any number of these applicants from Britain have been hassled unmercifully because the college insisted on transcripts that fitted North American standards. Unfortunately for the applicants the British programme mixes theory and practice much more intimately than is done in Ontario and the British nursing schools simply don't understand the credit system, the unit system and all the various other fripperies we are so inured to in our North American system of education.

The British hospitals couldn't deliver the information to the College of Nurses in the form it wanted to have it. The consequence was that letter followed letter back and forth and the college exploited every opportunity for delay in order to try to turn off these applicants. One assumes, Mr. Speaker, the reason it sought to turn them off was that it was trying to protect Ontario-trained nurses from competition from abroad. I can't think of any other reason.

I don't think that is a way in which this thing should be applied. We have immigration regulations. As it happens those rules now make it difficult for nurses to come into

the country. That is the point at which Ontario and Canadian nurses should be protected if there is a danger of oversupply and if there is a threat of too great a foreign immigration.

The question of registration should not be the means used to stop foreigners, particularly when many foreign-trained nurses have just happened to come with their kids and families because they and their husbands decided it would be a good thing to come to Canada. In this particular case, the nurse's decision—the housewife's decision—was, in a sense, secondary to the husband's decision to come here. He was offered a good job. She came as well. She wanted to practise and contribute to Canadian society. She found she needed to because the cost of living was so high. She was blocked by the College of Nurses, which apparently was trying to keep out sweet young things, male and female, who might have wanted to come over straight after graduation.

Mr. J. Dukszta (Parkdale): That's a quick recovery.

Mr. Cassidy: There are male nurses, I would point out Mr. Speaker, although the ones that I have been in contact with are generally female nurses.

I don't understand why the College of Nurses could not have simply said: "Okay we accept the state registration from Britain and we accept certain qualifications from Germany, from France, perhaps from Italy, from Holland, from Australia, possibly from Jamaica and other countries that follow the British standards; and then we will apply our screening which is the safe practice requirement and the examination requirement."

That would have been a reasonable kind of step to take. But no; applicants have been delayed for as long as three and four years, Mr. Speaker. I have one case of a woman named Mrs. Wilma Elaine Skeete, a West Indian who was trained in Britain and who to my view meets the requirements to come and sit the Ontario exams. However, every step that has been taken has been taken by the college in order to discourage Mrs. Skeete from getting registered. She has been trying for about 3½ years. Eventually I think that the college told her that she might work as a registered nursing assistant.

At one point, the college was saying to applicants that it would not permit them to qualify as RNAs because the discipline of mind needed was different. They had to work under instructions from an RN. This was regardless of the fact that the regulations themselves said that any person who was registered as a nurse in a foreign jurisdiction could automatically qualify as an RNA within the Province of Ontario. The college was not even applying its own regulations.

It is curious, when the Association of Nurses Educated Abroad renewed its pressure on the college this spring, that suddenly it was all click, click, click, and things started to happen again. Suddenly of the 60 or 80 people who were waiting for decisions from the college, about 30 found they were being admitted to the June examination. Suddenly the college said that the 90-day delay for applying for the examination was being waived at this time and they would hold places open for anybody who could show almost up to examination day that they could be qualified to write the exams. The history all the way through has been that the college has responded to pressure, but that it has not been willing to give these foreign applicants a fair shake.

When I look at the bill, Mr. Speaker, I find that the bill says that anybody who is refused registration by a college—this is in the general section of the bill—may appeal to the Health Disciplines Board. But the relevant section says that the appeal goes forward with the written documentation, presumably the documentation which has been submitted to the particular college and to the registration board of that particular college.

In the case of the nurses there will be only one outsider and nine nurses on the registration board, which is pretty heavily biased in favour of the profession. It may be biased in favour of the bureaucrats of the College of Nurses, who I may say have not been at all helpful in their dealing with nurses and whose powers of communication have been wanting, have been inadequate and have been grossly insulting in certain cases.

Now there is no way by which an applicant for registration before the College of Nurses can go personally before the Health Disciplines Board in order to lodge the appeal. There is no way, apparently, by which a group can go, such as this Association of Nurses Educated Abroad, who are seeking action on a communal basis because they confront not an individual problem but a common problem of discrimination. They cannot go as a group; and this kind of access appears to be denied, unless the minister intervenes. I'm aware that power is there for the minister to order an inquiry by the Health Disciplines Board and I welcome that particular part of it;

but it seems to me that these rights should not be on a grace and favour basis.

Let me just talk briefly and finally, Mr. Speaker, about the ripoff of nurses which is condoned by the ministry, both through its powers over the College of Nurses and through its funding of public hospitals in the province. The ceilings on hospital expenditure are one of the reasons hospitals employ so many graduate nurses. The major source of graduate nurses has been through commercial registries such as Upjohn and Comcare. In the case of Comcare, a group which I know of in Ottawa and which is active in other cities, the organization is taking at least 25 per cent, and often more, off the top of nurses' wages. For somebody working part-time that will amount easily to $1,000 or more a year. The rates of pay which are left to nurses are grossly inadequate.

Mr. Speaker, the minister knows about the settlement that has been reached in the case of hospital cleaners and persons like that. I want to read to him, and to put on the record, the record for a woman named Sheila Wise, a registered nurse who lives on Lascelles Blvd. in Toronto. There has been a small increase since, but last December she was working with Comcare as a nurse, doing home care. The gross rate she was receiving was $3.04 an hour. And when one looks at the pay slip, Mr. Speaker, it shows 48 hours of work in the week of Nov. 23 and a gross pay of $148 for that period of time. After deductions, which amounted to $29.80, her net pay was $119.03 for 48 hours. In other words, she received about $2.20 an hour in take-home pay for a 48-hour week—and no overtime either.

That's exploitation, Mr. Speaker, and that is what has been happening with the hospital workers. We find here that a registered nurse, who is qualified and has professional responsibilities, was at that time receiving far less than even a hospital cleaner would have been receiving.

When one looks at the other side of it, though, Mr. Speaker, here is the charge sheet from a person in Ottawa who hired a home care nurse for seven days. For two days this person had a registered nurse at a rate of $35 a day, for a total of $70. The $35 a day compares with the $24.48 a day that was being received by Comcare registered nurses, $10 or more was being taken off the top by Comcare in order to fatten its profits.

Then for five days she had an RNA for $135. The total bill was $205 for a week of care.

But Comcare is just as ungentle with its patients as it is with its workers, because in this particular case, 28 days after the bill was incurred, an invoice came in from Comcare for $205 for the services which were rendered at the current rate. Then Comcare had the temerity to charge 10 per cent or $20.50 of interest for one month when, in my book, the bill wasn't even overdue. That's an interest rate of 120 per cent a year.

Comcare has sent out a circular to hospitals in Ottawa, in which it offers registered nurses, RNAs, nursing attendants, nurses' aides and those kinds of people. The major people provided by Comcare, however, are not, RNs but graduate nurses. This is a piece of deception, a bait-and-switch tactic is in evidence here, because Comcare will substitute a graduate nurse, who possibly just came off the plane and quite possibly could never pass Ontario requirements, and they will be charged in at perhaps $3 a day less than the rate for a fully qualified registered nurse.

Comcare advertises a registered nurse but often supplies a graduate nurse. And the hospitals, which are anxious to save a few bucks, go along with that and let the judgement of Comcare or the commercial registry, supersede their own as far as qualifications of nurses are concerned.

In the case of Comcare, at one point they had a 23-year-old RN making decisions as to who should be hired and who should be sent where and who shouldn't be. That compares with the normal hospital requirements that their personnel directors should be university-trained nurses with broad experience in handling nursing personnel.

Clearly they had some real deficiencies there and the College of Nurses has not been active there at all.

Comcare itself puts out publicity to people who want to nurse. Among other things, it says specifically to them that there is "no fee to pay," when in fact the fee they pay is a minimum of about $10 a day. It is taken off the top before they actually see any pay.

I think the minister should ask whether he is willing to tolerate a situation where professionally qualified nurses should get only $25 a day or $125 a week before deductions and less than that after a normal 45-hour week. I wonder whether he considers that to be adequate remuneration or whether he doesn't consider that the situation of these professional registries, which have been seeking to corner the major part of the part-time temporary market, that is the hospitals,

doesn't deserve inquiry. He should consider whether the co-operative nursing registries shouldn't be encouraged, and whether hospitals shouldn't be told in no uncertain terms to stop patronizing these firms, many of which are American-owned, and do the work themselves; look after the co-operatives, work out other systems and sit down with the union in order to find means by which nurses can get full value for their professional services rather than being ripped off.

Mr. Speaker, these are a few of the concerns that I wanted to bring before the minister in relation to the College of Nurses. I would suggest that he look at these questions of discipline, of the registries, of the inadequate standards for Ontario-trained nurses, of arbitrary application of standards for foreign-trained nurses, and of the profusion, unchecked and even encouraged by current policy of the College of Nurses, of graduate nurses in the province. At the very least there is an awful lot for the minister to put his mind to when he gets down to applying this new Act.

If one can put it a bit more strongly, it raises in my mind some very real questions as to whether the College of Nurses deserves to have the responsibilities that it is being granted in this particular bill. I seriously question it. I sort of wonder whether they shouldn't be taken under trusteeship for a year or two while they show cause that they are capable of running things on their own. It seems to me that the kind of way which they have got out of touch with their own profession and with the public indicates the dangers of this delegation of power to the self-governing professions, and that has been particularly strong in the case of nursing.

Mr. Speaker: Are there any other hon. members who wish to speak before the minister?

Hon. Mr. Miller: Mr. Speaker, I will try to be brief in summarizing the many comments made over some 5⅓ hours of debate by a number of hon. members. I think, though, that I should point out that this bill has not been rushed through the House. It has had a progression that started some years ago.

It started with a very thorough review of the various health disciplines and their roles in the Committee of the Healing Arts. That vast report was carefully scrutinized by the Ontario Council of Health. From these discussions and reviews came forward a set of guiding principles enunciated by a Minister of Health some years ago. A draft bill of legislation, basically created by the health disciplines themselves, was put forward as a discussion piece. This was followed by almost two full years of discussion with all the disciplines which wished to offer opinions, with the public and with members of our own ministry.

From all of this came the present bill. I repeat all this because I want to point out that sometimes one gets an almost schizophrenic reaction from the opposition that we have given little thought to this or are trying to ignore the feelings of the public. I agree that there is still need for more public discussion, and this is one of the reasons why we have committed ourselves to having second reading of this bill, at least the committee stage, handled in standing committee of the House, so that the public may appear before it and so that we may, in fact, consider amendments to any particular part.

I, for one, want to say that I am not unprepared to accept amendments to parts—I want that understood—from those people who have offered very thoughtful comments on it in the last few days, and from the health disciplines who've discussed the parts with me. However, I think we will have to depend on that committee's judgement to determine which of the amendments should be accepted.

One of the more important points that's been talked about by at least two or three members of the opposition, particularly those who have legal training, has been the question of the powers of the board in two areas: the review of complaints and disciplinary matters, and, secondly, the authority of the board itself. I only want to say at this time that I am seriously considering those points on the complaints procedures and want to look at the thoughts expressed by the members opposite.

As far as the authority of the board in terms of the duties of the minister versus the duties of the board as it was originally discussed, I think I would have to say that a great deal of examination of those rules has been given. We came to the conclusion, during the two years of discussion, that in fact the Minister of Health was responsible for the regulation and co-ordination of the health disciplines of the Province of Ontario and, therefore, the responsibility for those duties should be vested in him. Therefore, we took it upon ourselves to take those duties from the Health Disciplines Board and give them to the minister.

Secondly, there was a conflict in role that was discerned by a number of legal people in the sense that we were, in the first draft,

giving the Health Disciplines Board both a regulation-making capability and an appeal function based on some of the regulations it wrote. In our opinion that type of conflict should not have existed in that one body. Therefore we separated the authorities.

A lot of discussion has been given to the use of allied health personnel other than the physician or the dentist. If I listened to some of the comments from the hon. members I would come to the conclusion that nothing but an ultraspecialist should be permitted to perform any function. Well, simply, that is not the purpose of the allied health people. It is to make the maximum use of people with the necessary minimum training.

If, in fact, we are going to have enough manpower and a control on costs, obviously one does not need a specialist to perform every function. Properly described, the scopes of practice of the allied health personnel will allow them to perform a useful role augmenting the functions of the more highly skilled people and, in some cases where they are primary care people, acting as the screen that directs those patients in need of more intensive care to the proper people.

A great deal of discussion has centred on the question of the use of drugs by optometrists. The members can begin to see why only five or six parts are here at this point in time. It's easy to say we should wait until all 25 or 30 parts are ready, but we might be here forever if we waited until all were ready. I think it's very important to deal with each as we can and to bring them to the House and to get them into effect.

We spent many, many, many months and hours of discussion, interchange of memos, and so on, attempting to get a common ground that both the ophthalmologists and the optometrists could agree upon. We did not get complete agreement. Certainly, we have modified the position. If we followed the advice of the Committee on the Healing Arts we would have granted the use of at least four drugs to the optometrists. We chose to give them the use of one drug, although we do not say that in statute. One of the reasons we chose to leave the statute the way it was was to have the flexibility necessary at any point in time to reconsider the use of drugs and the skills of the people using them.

By the way, I should point out the fact that the hon. member for High Park made some categorical statements, which is his way and his wont, on the fact that the dispensing optician – what did he call him in here? He called him the optometric optician or something – in England could use drugs only in hospitals. Well, I don't think he's right. we've had a cable from Europe during the course of the afternoon telling us that in fact a whole series of drugs is permitted without supervision in England. This is the cable I got from the British Optical Association:

WE CAN CONFIRM THAT UK OPHTHALMIC OPTICIANS (OPTOMETRISTS) ARE PERMITTED TO OBTAIN APPROPRIATE OPHTHALMIC DRUGS FOR PRACTICE USE – CYCLOPLEGICS MYDRIATICS, MIOTICS, LOCAL ANAESTHETICS, STAINING AGENTS, PROPHYLACTIC ANTI-INFECTIVE PREPARATIONS, DECONGESTANTS. FURTHER INFORMATION FOLLOWING.

I just wanted to have some kind of confirmation of that fact and I have it now.

Another issue that was misconstrued and touched upon very briefly by a couple of the members was the restriction of the right of prayer for healing. I'm sure many members in this House received many letters in the last few weeks from people who felt quite properly that we had withdrawn a right implied in the first draft of this legislation. This was not so, because those people who believe in the power of prayer to heal have been permitted to do so without being accused of practising medicine under the Drugless Practitioners Act for a number of years. This Act is still in force. In time it will become a part of the Health Disciplines Act, and I can assure the hon. members that it is our intention to enshrine the right now granted to the Christian Scientists and others to retain their right to practise by prayer if they see fit.

On the definitions, a lot of discussion centred upon our vagueness in some cases and our precision in others. We started out with at attempt to get a precise definition for medicine. From that, of course, sprang the problem I just alluded to, the problem of the Christian Scientists, because in order to get a precise definition of medicine we had to exclude people curing by prayer, and therefore we put the exclusion in. But we came to the conclusion that medicine as such was in fact undefinable; therefore, we left that undefined except in a most general sense and defined the parts of medicine that other allied health disciplines were allowed to practise rather than defining the whole. I think that explains the precision.

Let's go on to pharmacy. The statement that we didn't define pharmacy is true to some degree, but we defined "drug," and a pharmacist is a person who dispenses a drug under certain conditions. If one looks at the definition of "drug," one will see that in effect we have defined a pharmacist.

I would also like to try to scan the remarks that other people have made. I was impressed by the thoughtfulness of the member for Downsview's approach to the legal problems and, as I said earlier, I intend to follow them. We've leaned very heavily on the McRuer principles. I often wonder how we spell McRuer and if it begins with the letter G, because we certainly put very heavy emphasis on any of the principles that have been enunciated by this gentleman, who has had a very profound effect upon Ontario law.

I think, though, that most of the comments made by the various speakers were on particular parts and are better suited for discussion later.

The member for Sudbury talked about the apparent attempt to exclude the denture therapist – or the denturist, as he said – from the present legislation. There would hardly be any use in delaying this particular piece of legislation until such time as a policy is or is not changed on the practice of denture therapy.

Mr. E. W. Martel (Sudbury East): The minister was going to announce that about three weeks ago.

Hon. Mr. Miller: Therefore, this bill remains the way the present laws permit practice. And I can assure the hon. member that if any change is made it can and will be amended quite quickly.

Mr. R. F. Nixon: What's delaying that?

Hon. Mr. Miller: Really, the assistance of the hon. member.

Mr. Deacon: If the minister wants us to help with anything, we will.

Hon. Mr. Miller: Yes, they can help me by shutting up.

Mr. Martel: Is that parliamentary language?

Hon. Mr. Miller: I'm sorry but I sat so close to the hon. member for Sudbury East for so long that some of it has rubbed off.

Mr. Martel: What rubbed off?

Hon. Mr. Miller: I realize the member is a teacher of English and some of those better phrases have kept popping up.

Mr. I. Deans (Wentworth): Did the minister get that settled this morning?

Hon. Mr. Miller: That was a strike.

Mr. Deans: That was not a strike.

Hon. Mr. Miller: That was a pseudo-strike.

An hon. member: That was a threatened illegal strike.

Hon. Mr. Miller: If members will bear with me for a second, one of the things, I suppose, I could say about the member for Ottawa Centre, if I got any message from him, is that he doesn't like the College of Nurses. He also said something about the laws of chance and their effects. The laws of chance play strange tricks and he is an obvious example of them.

In any case, I can assure members that he has missed the point. The health disciplines bill was given its present types of appeal simply to assist the kinds of people he referred to today. I can assure him that is one of the more important points.

I appreciated the support I had from the Leader of the Opposition on this kind of thing. I believe we are taking very positive steps in allowing the individual who has been denied the right to practise an appeal mechanism over and above the college. If, in fact, any given college has been a bit restrictive in its registration practices in the past, it has been because there hasn't been an appeal mechanism.

With an appeal mechanism, one wouldn't have to take groups of applicants through because groups of applicants can't be judged; the individual must be judged. Once the precedent is set, I can assure members that registration committees of colleges will be very prone to accept those people whose appeals would likely be granted.

I think it will eliminate the kinds of practice he has alluded to or has alleged have existed. He knows also—

Mr. Martel: Why make such unkind remarks about him when he was right?

Hon. Mr. Miller: I am not making any comment about his correct or incorrect approach. I think he realizes that as parliamentary assistant I worked quite hard with that college to get them to loosen up a bit.

Section 113 has been alluded to a number of times by speakers. That concerns the right of an optometrist and an optician to work in the same place of business; it's the retail merchant clause.

One of the speakers, I believe it was the member for Riverdale, spoke at great length about being afraid that if one went to Eaton's one was served by Imperial Optical

instead of by Eaton's. He has missed the point entirely of the question at issue and I think it is one issue we still have to give some thought to. The issue is simply, can an optometrist and an optician work in one place of business, at one time, for another master and still retain let's say, his professional discretion?

I think, Mr. Speaker, those are all the points I would like to make on this bill at this point in time. I am sure we will have lots of very useful comments from the members opposite and from the disciplines themselves during the standing committee phase.

Motion agreed to: second reading of the bill.

Mr. Speaker: The bill is to go to standing committee.

Agreed.

Clerk of the House: The 17th order, House in committee of supply.

Mr. I. Deans (Wentworth): What are we going to do in the committee of supply?

Hon. E. A. Winkler Chairman, Management Board of Cabinet): Give me a suggestion.

Mr. Deans: Let us adjourn and we will go to the dinner.

Hon. Mr. Winkler: Mr. Speaker, I sense a consensus that the House should adjourn and accordingly I will take that course.

For Thursday, I would like to say we will return to the consideration of the estimates of the Minister of Energy (Mr. McKeough).

Mr. Deans: Before the adjournment, is the minister able to give us an indication when we will return to the land speculation bill?

Hon. Mr. Winkler: Monday.

Mr. Deans: Monday next?

Hon. Mr. Winkler: Yes. On Thursday I will give him, hopefully, all of next week's arrangements.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 5:30 o'clock, p.m.

ERRATA

No.	Page	Col.	Line	Should read:
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33	1442	1	20	I'm afraid the member on the right is going to

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No. 37



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Thursday, May 2, 1974

Afternoon Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

The House met at 2 o'clock, p.m.

Prayers.

Hon. J. R. Rhodes (Minister of Transportation and Communications): Mr. Speaker, it is my pleasure to introduce to you and through you to the other members of this Legislature, a group of students. Grade 12 urban geography students from the Sault Ste. Marie Collegiate in Sault Ste. Marie. They are with their teacher, Mr. Doug Machetney, seated in the west gallery.

Mr. I. Deans (Wentworth): Mr. Speaker, I have the pleasure of introducing some 95 pupils who are here from the Glendale Secondary School in Hamilton in the riding of Wentworth. They are with their teacher, Mr. George Fisher.

Mr. Speaker: Statements by the ministry.

FIRE IN ROOF OF LEGISLATURE

Hon. J. W. Snow (Minister of Government Services): Mr. Speaker, I would like to report to the members of the House some of the details regarding the fire that took place in this building at noon hour yesterday.

An hon. member: Who lit it, the NDP or the Liberals?

Interjections by hon. members.

Mr. V. M. Singer (Downsview): The Tories started the fire so they could get rid of the fire.

Hon. Mr. Snow: Mr. Speaker, it has been confirmed to me that the fire was started as a result of workmen carrying out repairs to a section of the roof on the northeast wing. These rather emergent repairs were being carried out by a contractor who was the successful bidder of five which were requested to tender on the project.

Mr. R. F. Nixon (Leader of the Opposition): Is that of urgent public importance?

Mr. M. Gaunt (Huron-Bruce): Just think what the others would have done.

Hon. Mr. Snow: I thought, Mr. Speaker, my colleagues would be interested in that fact. The cost of the contract was $3,766. According to the roofing contractor, he was using a charcoal pot to heat the soldering iron. He explained that during the time the men left for lunch, they covered the charcoal pot with a piece of copper. They believed that the wind must have blown sparks from the charcoal pot on to some exposed roofing boards.

Mr. R. F. Nixon: I wish the minister would give us as much detail in other matters.

Mr. J. E. Stokes (Thunder Bay): And we didn't even ask for this.

Hon. Mr. Snow: It is ironic, Mr. Speaker, that the details of the fire that destroyed a great portion of this building in 1909 are almost identical, as the same type of charcoal pot was left burning over noon hour by some tinsmiths.

Mr. E. W. Martel (Sudbury East): Even the same pot was used?

Mr. Stokes: They never learn, do they?

Hon. Mr. Snow: I don't think we can blame it on the same tradesmen.

Mr. T. P. Reid (Rainy River): The same government?

Hon. Mr. Snow: I don't believe the contractor became aware of the fire until the fire alarm went, as his men were on noon lunch hour.

Mr. Reid: Who is going to pay for this?

Hon. Mr. Snow: I personally visited the scene of the fire last night, Mr. Speaker. I might say that this morning at 8 o'clock a meeting was held among representatives of the contractor, the contractor's insurance company and my staff. I am told verbally that the contractor carries approximately $500,000 worth of insurance. It has been agreed that the insurance adjusters for the contractor will assess the damages and make proposals for the repairs.

Mr. J. R. Breithaupt (Kitchener): I hope they don't condemn the building.

Mr. R. D. Kennedy (Peel South): Maybe some of the people in it.

Hon. Mr. Snow: The contractor has been instructed and has agreed to supply temporary tarpaulins and other measures to make the building watertight in the meantime.

Hon. A. Grossman (Provincial Secretary for Resources Development): Make it leakproof. That would be better.

Hon. Mr. Snow: Mr. Speaker, the fire alarm was activated at 12:18 yesterday afternoon and the fire department immediately responded, as the fire alarm rings both in the fire department and in the central control headquarters of my ministry. The provincial police and the security staff, after the second alarm, when it was assured that there was a fire, evacuated the building.

Mr. Stokes: Is that right that they couldn't get the Premier (Mr. Davis) out of the building?

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): That's right, business as usual.

Hon. Mr. Snow: Mr. Speaker, the Premier and my colleagues in cabinet were very busily meeting with representatives of the Ontario Federation of Labour at that moment, as members are well aware.

Hon. Mr. Winkler: They know all about it.

Mr. Martel: I understand they were burning the Davis tapes.

Hon. Mr. Rhodes: What fire was the member for Sudbury East putting out last night?

Hon. Mr. Snow: Mr. Speaker, representatives of the city building inspection department, Ontario Hydro, Toronto Hydro and Consumers' Gas, as well as the fire department, were called in in case they were needed to cut off any services. Certainly, in the penthouse of the east wing flames were going in good order. Through the action of the fire department the damage was kept to a minimum. By 2 o'clock the district chief declared the emergency over and allowed the building to be reoccupied.

Mr. Deans: They call that the attic.

Hon. Mr. Snow: Mr. Speaker, I would like to say a word of compliment to the staff of the Toronto fire department, Toronto Hydro, Ontario Hydro, Consumers' Gas, the Toronto building department and to the staff of my ministry.

Mr. Reid: And to everyone else who made a statement.

Hon. Mr. Snow: Because of their quick response to an emergency, not only was the fire kept under control but also the water damage to the rest of the building was kept to a minimum. I think these gentlemen should be complimented for their work.

Mr. Reid: That is the most he has said since he became a minister.

Mr. Speaker: Oral questions. The hon. Leader of the Opposition.

COST OF LIVING PAYMENTS TO GOVERNMENT EMPLOYEES

Mr. R. F. Nixon: Mr. Speaker, I would like to ask a question of the Chairman of Management Board. Now that certain Canadian corporations, like Stelco—and yesterday the government of Canada—have made special cost of living payments to their employees, is the chairman considering similar payments to the employees of the government of Ontario?

Hon. Mr. Winkler: Mr. Speaker, I think it will be quite evident on examination that the government has taken into consideration some of the aspects of the question raised by the leader of the official opposition in regard to recent settlements; and we have had this further matter actively under consideration until this particular point in time. Now, we have to and we will consider the impact of what this means to the people in the employ of the government of Ontario and an announcement will be made in the very near future.

Mr. R. F. Nixon: Supplementary: Is consideration being given by Management Board based on a cost of living indexing of salaries within the public service, or a lump sum payment?

Hon. Mr. Winkler: Well, I am not prepared to give a complete answer to that question because it is a matter of policy; and when that policy has been determined, I will make it known to the House.

GO-URBAN SYSTEM

Mr. R. F. Nixon: I would like to ask the Minister of Transportation and Communications if he will confirm that the low bid to construct three of four stations at the Krauss-Maffei CNE test track was $2,106,700 and

that this amount is greater than the expected cost of all four stations that must be built at the CNE test track? Is he also aware of a statement as reported in Hansard of Nov. 5, 1973, by the now president of the Urban Transportation Development Corp., Mr. Foley, who said: "We have, in fact, built into our contract price escalators on the test demonstration system"?

Hon. Mr. Rhodes: Mr. Speaker, the answer to the first part of the question is yes, I am aware of that figure; that was the low bid. And yes, I am aware that it is about one-third higher than the anticipated estimate. This particular bid was for three stations—at Princess Gates, Royal York and Dufferin. There are still two more buildings to be tendered on—the maintenance building and the station at Ontario Place. I am not aware of the particular statement referred to of November, 1973; however, I do know that there are certain escalation clauses in the contract and I believe that contract is public knowledge.

Mr. R. F. Nixon: Supplementary: Does the minister recall that in the discussions by the ministry as to whether Krauss-Maffei or some other corporation would get the contract for the test track, one of the reasons that Krauss-Maffei was selected was that it had a firm price of $6 million; whereas, for example, Hawker Siddeley could not give such a firm price? Wouldn't the minister now agree that the Krauss-Maffei bidding position was, or at least the acceptance of such a position, was something akin to irresponsibility, since we have seen a substantial increase and escalation in the cost of the line itself and now a 30 per cent increase in the cost of the stations?

Mr. J. A. Renwick (Riverdale): It is equivalent to irresponsibility.

Hon. Mr. Rhodes: Mr. Speaker, I think as the hon. member knows, just recently in the House I did explain, I hope, that there were two parts to that particular contract, one of which did have the fixed price—and that was the part of the responsibility of the developer for the guideway—and that the civil engineering part was part of the responsibility of the Ministry of Transportation and Communications. The part that the Krauss-Maffei people are involved in is at a fixed price.

Mr. R. F. Nixon: Supplementary: Would the minister not now agree that with these bids available—I understand none have been accepted as yet—that the price is going now from about $23 million to close to $25 million?

Hon. Mr. Rhodes: Including this particular bid?

Mr. R. F. Nixon: Yes.

Hon. Mr. Rhodes: Yes, I would suggest that the member was so close to the last figure that I am not going to challenge him on this until I have a chance to check it.

Mr. A. J. Roy (Ottawa East): I guess not.

Hon. Mr. Rhodes: I would suggest that he probably is fairly close—

Mr. Breithaupt: That's the spirit.

Hon. Mr. Rhodes: —but I would also point out, Mr. Speaker—

Mr. Roy: We should take care of the minister's negotiations.

Hon. Mr. Rhodes: Mr. Speaker, the hon. member should refrain from making any comments; he ends up in the press all the time.

Mr. Roy: He should look after his ministry instead of looking at planes.

Hon. Mr. Rhodes: Mr. Speaker, the costs are high, there is no question about that. I think we can relate a great deal of this cost to the inflationary spiral that has taken place in the last two or three years.

An hon. member: Not 40 per cent.

Mr. Renwick: Did the minister say that is the fault of the federal government?

Hon. Mr. Rhodes: And I can say, Mr. Speaker, that I am as concerned about the escalating price as anyone else is; and in fact when the figures in this particular bid came to my attention yesterday, I stated at that time that I want these contracts reviewed; I believe there is an area where some substantial saving might be effected by redesigning. That is exactly what I intend to have done; I want the whole thing to be looked at and possibly have some redesigning of these particular stations.

Mr. Speaker: The hon. member for Scarboro West, a supplementary.

Mr. S. Lewis (Scarborough West): Given the minister's response to these various questions, and the way he is approaching it, rather differently from his predecessor (Mr. Carton), is the minister about to beat a

strategic retreat on the whole Krauss-Maffei system? Is he prepared to say now that he is going positively to give us the demonstration model? Or is it now possible or likely that even the demonstration model will be chucked over the next three or four months?

Hon. Mr. Rhodes: Mr. Speaker, I will not beat a strategic retreat. I don't think that is necessary.

Mr. Breithaupt: What kind of retreat will the minister beat?

Mr. R. F. Nixon: How about a sensible one?

Mr. Roy: How would the minister like a backward promotion?

Mr. Speaker: Order.

Mr. Lewis: The minister is moving back from Moscow faster than Napoleon. Where is he standing now?

Mr. R. F. Nixon: And he had a sleigh.

Interjections by hon. members.

Hon. Mr. Winkler: We know the member is there but we are not leaving because of him.

Mr. Singer: How about retirement to consolidate his lines?

Interjections by hon. members.

Mr. Speaker: The hon. minister has the floor.

Interjections by hon. members.

Mr. R. F. Nixon: Speak, man, speak.

Hon. Mr. Rhodes: I'd be pleased to if I could get some kind attention.

Mr. Speaker, I'm concerned about the rising costs, as everyone else is in this particular area. I have stated from the outset, when I took this position on, that I was not going to be bound by time limitations in order to bring forth some sort of a demonstration project that would not in fact be a proper demonstration project that would show the people of this province what was being provided.

Mr. M. Cassidy (Ottawa Centre): That is a real retreat.

Hon. Mr. Rhodes: It is not a retreat.

Mr. Lewis: It is a total retreat and it will be a complete retreat. He is bailing himself out.

Mr. Renwick: He hasn't even got a previously prepared position.

Mr. Speaker: Order! The hon. member for Rainy River had a supplementary.

Mr. Reid: Was the minister quoted correctly, I believe in the Globe and Mail about a week ago, when he was quoted as saying that if the costs did get out of hand that he would, in fact, cancel the whole project? Did he not see that?

Hon. Mr. Rhodes: Mr. Speaker, the hon. member obviously didn't read the article accurately. I did not say I would cancel the project; I said the whole project could well be reassessed if the price escalation continues.

Interjections by hon. members.

Mr. Lewis: Well, by way of supplementary—

Hon. Mr. Winkler: Point of order, Mr. Speaker.

Mr. Speaker: Point of order.

Hon Mr. Winkler: Point of order: I have just noted carefully that notes have been passed from the press gallery to the leader of the NDP (Mr. Lewis) and the member for Riverdale. They obviously came from the same source. If they are not sufficiently intelligent today to put their own questions, I don't think these messages should be passed from the press gallery.

Interjections by hon. members.

Mr. R. F. Nixon: What is that all about?

Interjections by hon. members.

Mr. Speaker: Order! Order! The hon. member for Riverdale is next.

Mr. Renwick: Mr. Speaker, on the same point of order.

Mr. Speaker: There was no point of order.

Interjections by hon. members.

Mr. Lewis: Come on, there was a point of privilege involved.

Mr. Cassidy: You have got to allow him to defend himself.

Mr. Speaker: The hon. House leader was totally out of order. There can be no further comments.

Interjections by hon. members.

Mr. Renwick: Mr. Speaker, on a point of order.

Mr. Speaker Okay, a point of order.

Mr. Renwick: On a point of order, point of privilege; or as my leader says a point of view. I would like to share it with the whole House, but—

Mr. Lewis: That's right.

Mr. Renwick: —it's a private note; I am sure with the consent of the person who sent it to me I would share it with the House leader of the Conservative Party (Mr. Winkler).

An hon. member: Put it on the table.

Interjections by hon. members.

Mr. Speaker: There is no point of view at this time!

Mr. Lewis: I also would like to share with members the contents of the confidential note, but it was a graphic pictorial representation of the Chairman of the Management Board and I wouldn't submit it to the Legislature!

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. Winkler: If it was done honestly, it pleases me.

Interjections by hon. members.

Mr. Speaker: I forget what the question was. What was the question?

Mr. Lewis: I remember the question. It was from the member for Rainy River.

Mr. Speaker: You are quite right. Now the hon. member for Scarborough West has the floor.

Mr. Lewis: May I ask the minister, when is the review specifically to take place on which the go-ahead or cancellation of Krauss-Maffei will be based?

Hon. Mr. Rhodes: Mr. Speaker, at no time have I indicated in the House that the project would be cancelled. I said the project would be looked at. I have made that commitment. I will look at it, not with a view of cancelling it at all, but a view of where we can make some savings in costs.

Mr. Lewis: Of course it's a view of cancelling.

Hon. Mr. Rhodes: That's my position today.

Mr. Reid: Not a view of cancelling?

Interjections by hon. members.

Mr. Lewis: Another note? Watch the next supplementary.

Mr. Speaker: Order.

Interjections by hon. members.

An hon. member: It was signed by his own hand.

Mr. Speaker: Order please. It seems this is developing into a debate, but in view of my error I will now recognize the hon. member for York Centre.

Hon. Mr. Grossman: This is a debate?

Mr. D. M. Deacon (York Centre): Would the minister kindly tell us how much of the original $16 million or $17 million contract was firm and to what extent the president of the corporation, Mr. Foley, had built in a provision for inflation in his statement of Nov. 5, 1973? What was the inflationary factor he built into that portion that wasn't fixed?

Hon. Mr. Rhodes: Mr. Speaker, I believe those figures are already on the record. I don't have them here with me, but I believe I read them into the records; that is as to how much was fixed cost and how much was not in that particular contract. I'm afraid I can't answer the second part of the question at this time. I would have to send to get that information. Certainly there was no build-in for inflation on the fixed portion. The contract—

Mr. M. Shulman (High Park): How does one spell paranoid?

Hon. Mr. Rhodes: —and I believe that's a public document—indicates some escalation as it relates to the exchange rate on money.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. Roy: I have a supplementary, Mr. Speaker.

Mr. Speaker: There have been about six or seven supplementaries. I believe that to be quite reasonable. The hon. Leader of the Opposition.

Hon. Mr. Rhodes: Oh, let him have one.

HOUSING IN OTTAWA AREA

Mr. R. F. Nixon: I would like to ask the Minister of Housing if he can confirm that Ontario Housing has purchased building lots in Goulbourn township, in the Ottawa-Carleton region, from W. G. Connelly for prices in excess of $20,000 per lot and is now constructing homes on these lots which will sell for a maximum of $19,300? Can the minister explain why, if those prices were paid, the Ontario Housing Corp. is not servicing property itself in the area? And further, to what extent the homes then would be subsidized to be sold for $19,300?

Mr. Lewis: The land would be leased.

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, unlike my colleague, I think I would have to challenge the arithmetic of the hon. member. First of all, yes, Goulbourn township is the site of a Home Ownership project and has been for a number of years. The present Glencairn subdivision was built under the HOME plan. The lots have been purchased not from Connelly but from the successor company, Costain. I will have to check into the exact prices, but the prices the hon. member mentions seem to me to be out of line.

Mr. R. F. Nixon: I thought so too.

Hon. Mr. Handleman: I'll certainly check into them. I doubt their accuracy.

Mr. Roy: Mr. Speaker, may I ask a supplementary in relation to Ontario Housing activity in the Ottawa area?

Mr. Speaker: I'm not sure. If the hon. member feels he can make it supplementary to the original question—

Mr. Roy: Yes, thank you, I'll try.

Mr. Speaker: I'll be glad to listen to it.

Mr. Roy: Could the minister advise us about Ontario Housing in relation to the project announced March 1, where 155 units will be constructed at a price of $3.5 million, which works out to $22,500 per unit, when in fact last year in the same area they were constructing these units in October and August for $11,000 per unit and $17,000 per unit?

Interjections by hon. members.

Mr. P. J. Yakabuski (Renfrew South): Question? Question?

Mr. Roy: What's the reason for the high jump in a period of a few months?

Mr. R. F. Nixon: That's a high jump.

Hon. Mr. Handleman: Mr. Speaker, I'm sorry. The interjections were so loud and so frequent and probably so justified that I couldn't hear the question completely. I'm not aware of the statement that the hon. member is referring to. I understood the original question to which the supplementary was asked was on Goulbourn township.

Mr. Roy: No, no, Ontario Housing.

Hon. Mr. Handleman: Perhaps the hon. member will identify the area he has in mind and I will be able to get him an answer?

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Speaker: All right, the hon. member for Ottawa Centre.

Mr. Cassidy: Supplementary, Mr. Speaker: Can the minister tell when enough land will be made available in the Ottawa area at reasonable cost so that houses will not have to be made available through the HOME plan only by lottery and not according to need?

Hon. Mr. Handleman: Mr. Speaker, of course that is our goal in every part of the province, not only the Ottawa area.

Mr. Cassidy: But they are getting further away from it.

Hon. Mr. Handleman: We will be using the lottery system until such time as the supply meets the demand and we think it is by far the fairest way of making allocations when there is a scarcity. Our housing action programme is well under way in the Ottawa area and I'm firmly confident that I will be making an announcement very shortly that will please my hon. friend.

Mr. J. F. Foulds (Port Arthur): Oh, I am sure the minister will be.

Mr. Martel: We have been waiting since Feb. 26.

Mr. Speaker: The hon. Leader of the Opposition? The hon. member for Scarborough West.

HOUSING PROGRAMMES

Mr. Lewis: I have a question of the Minister of Housing. Back in the early part of April he indicated there would be a full statement on the Ontario housing action programme within two to three weeks. When is that statement to come?

Hon. Mr. Handleman: Mr. Speaker, as the member well knows we have run into some delays which we didn't anticipate.

Mr. R. F. Nixon: Did the minister not know he would run into delays?

Hon. Mr. Handleman: It isn't all that easy to conduct a three-way negotiation and get all three parties to agree at the same time. I'm still hoping to have that announcement—in fact, I am confident I will have an announcement within a very short time.

Mr. Singer: Yes?

Mr. Lewis: A supplementary or related question of the minister: Am I to understand he has been having discussions with developers who own or control some 15,000 acres of serviced or about-to-be-serviced land in the Metropolitan Toronto area and in the regional government areas immediately east and west, for which he hopes to get homes at a considerably reduced rate because of the trade-offs which the government is offering? What are the trade-offs he is offering to the development industry?

Hon. Mr. Handleman: The only trade-off, Mr. Speaker, which has been offered to anybody is the acceleration of approvals of subdivision proposals.

Mr. Singer: A supplementary—

Mr. Lewis: By way of supplementary—

Mr. Roy: A supplementary, if I may ask the minister, about his difficulty in negotiations and the delays he mentioned in answer to the question from the leader of the NDP, does he not think he might have more success in his negotiations if he didn't go around making inflammatory statements about municipalities and other levels of government?

Hon. Mr. Handleman: Mr. Speaker, there's an assumption implied in the question which I don't accept. I haven't made inflammatory statements; there have been some diatribes, if I may use the word of the member for Downsview—

Mr. Singer: Right.

Hon. Mr. Handleman: —by some municipal councillors, but all I have said is let's get on with the job and stop dragging our feet.

Mr. Lewis: But there are no houses.

Hon. Mr. Handleman: If that's inflammatory, I will continue to say it.

Mr. Lewis: But there are no houses.

Mr. Speaker: The hon. member for Yorkview.

Mr. F. Young (Yorkview): A supplementary, Mr. Speaker: I'd like to ask the minister, since the approval of subdivision plans rests with the municipal councils, what incentive is the minister offering to those councils to get quick approvals?

Hon. Mr. Handleman: Mr. Speaker, first of all we are appealing to them as citizens of Ontario to—

Mr. Singer: Yes?

Hon. Mr. Handleman: —accept a share of housing. We have also—

Mr. Lewis: That's pretty impressive.

Interjections by hon. members.

Hon. Mr. Handleman: I think that's a pretty valid appeal, Mr. Speaker. Maybe the member for Scarborough West wouldn't accept that as being valid; I think it is.

Mr. Lewis: He is appealing to the private sector as well if no houses are built.

Hon. Mr. Handleman: We have also offered the municipalities guarantees in the form of a schedule of unconditional grants which assure them that their present taxpayers will not have to pay additional taxes as a result of the expanded housing supplies we see coming about as a result of this programme.

Mr. Singer: A supplementary.

Mr. Speaker: I think one more might be in order; the hon. member for Downsview.

Mr. Singer: Did I understand the minister correctly when he was saying that the trade-off he is offering to those developers who will deal with him is speeding up; and that those who don't want to deal with him are going to be delayed, or will not be speeded up? Does that follow?

Hon. Mr. Handleman: No, the hon. member is quick to jump to conclusions. That is not the corollary of the offer we are making to the developers. The other developers will have to take their chances in the normal courses of events.

Mr. Singer: Yes?

Hon. Mr. Handleman: But those who enter into our programme will have our active assistance in accelerating approvals.

Mr. Speaker: The hon. member for Scarborough West.

HOME PROGRAMME IN ESPANOLA AREA

Mr. Lewis: A question, Mr. Speaker, of the Minister of Housing: If he wants his HOME programme to succeed, why did he deny to individuals in the Espanola area the right to purchase or to lease HOME lots on which they themselves could build homes rather than having to hire contractors, a request which was made to him by the mayor and council of Espanola?

Hon. Mr. Handleman: Mr. Speaker, first of all, the request did not envisage building under the HOME plan.

Mr. Lewis: Certainly it did.

Hon. Mr. Handleman: No. The proposal was to lease HOME lots and the lessors would be able to build whatever they wanted on those lots. We are suggesting that public land of this nature should be used for public purposes and therefore should fit into the concept of the HOME plan, which means price ceilings.

Mr. Lewis: By way of supplementary, is not the public provision of homes a public purpose? Does the minister not think he is imposing southern views of the way in which homes must be built on northern residents, who may themselves be able to proceed?

Mr. Renwick: Almost pre-civil war days.

Hon. Mr. Handleman: Mr. Speaker, there is a difference between homes and Home Ownership Made Easy. That is a Home Ownership Made Easy project and in our view the houses will be built under that plan and under no other.

Interjections by hon. members.

Hon. Mr. Grossman: The member for Scarborough West knows he is wrong.

Mr. Lewis: I don't think so.

An hon. member: Come on, the member knows he is wrong.

Mr. R. F. Nixon: Would the minister not agree that in the case that is referred to in question, Espanola I believe, where communications came to all of us in this regard, that at least the minister ought to consider making a percentage of those lots available for local builders to build homes that fit the requirements of the area? Surely he is not ever going to use that phrase Home Ownership Made Easy in Espanola or anywhere else.

Mr. Roy: It is in the minister's mind.

Mr. R. F. Nixon: It is such a cynical, political approach to the problem.

Mr. Lewis: In Espanola it is $10,000 a lot.

Hon. Mr. Handleman: I'll not only continue to use it, Mr. Speaker, I'll continue to mean it. There is no question about all of these lots being made available to local builders to build houses under the Home Ownership Made Easy plan.

Interjection by an hon. member.

Hon. Mr. Handleman: What we are concerned about is the proposal whereby a select few would be favoured over all of the people who want those homes.

Mr. Lewis: Stop it; they are people who need houses.

Hon. Mr. Handleman: I think, Mr. Speaker, the hon. members who are asking the question might check into—

Mr. Cassidy: That is the minister's whole problem; a select few who can get houses by lotteries.

Hon. Mr. Handleman: Members might check into the people who are specifically asking for those lots and determine what there is in it for them.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. Lewis: Supplementary question.

Mr. Speaker: No, I think there have been sufficient questions on this topic.

LOCK-OUT AT CANADIAN JOHNS-MANVILLE

Mr. Lewis: A question of the Minister of Labour: What is the minister going to do about the lock-out at Johns-Manville in the eastern part of Scarborough, where this subsidiary of a very rough American multinational corporation has thrown 550 people out of work, allegedly on contract wording?

Hon. F. Guindon (Minister of Labour): Mr. Speaker, my information is that this lock-out is legal. We have received no requests for assistance so far. I just learned about it before lunch time and I am trying to get more information.

Mr. Lewis: By way of supplementary, does the minister realize that the union involved has said it doesn't want a strike, it wants to negotiate and can't get the company to the bargaining table. Doesn't the minister think that requires his intervention?

Hon. Mr. Guindon: That is what I am trying to find out at the present time.

Mr. Lewis: One more question on this matter. Does the minister also realize that in the first month of 1974, 10 partial disability pensions came from the Workmen's Compensation Board to 10 workers at Johns-Manville who are now suffering from asbestosis? Since asbestosis has been a killer in the Johns-Manville area, as silicosis and cancer are in Elliot Lake, as lead levels in the blood are in Metropolitan Toronto; doesn't the minister think it is time, in the area of industrial health and safety, that he moved on an emergency basis in disputes of this sort?

Hon. Mr. Guindon: Mr. Speaker, I think the concern and the deep feeling of this Minister of Labour for our work force in the province is well known. I have already given instructions to my staff, in the case of lead poisoning, to have a very close surveillance of the plant in question; and it is my intention to do this in any area where we hear about health hazards to the employees of any plant.

Mr. Martel: What did the minister do in Elliot Lake?

Mr. Speaker: Does the hon. member for Scarborough West have more questions? The hon. Minister of Natural Resources has the answer to a question asked previously.

Interjection by an hon. member.

HEALTH AND SAFETY HAZARDS AT ELLIOT LAKE

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, the hon. member for Sudbury East asked me last week how many tests my ministry conducted with respect to gas and dust in the Elliot Lake mines up to November of 1973. The reply is that in 1973 over 1,500 samples for radioactivity were taken at Denison Mines; 955 samples were taken at Rio Algom. There is a regular programme of taking dust samples in the working places, which is carried out by the operators and reported to our mines engineering branch.

Mr. Cassidy: By the operators?

Hon. Mr. Bernier: This programme has been in effect at the uranium mines since the beginning of operations at Elliot Lake. Dust counts taken under this programme total more than 2,000 samples in the two mines in the past year.

Mr. Speaker: A supplementary, yes.

Mr. Martel: Would the minister indicate to the House who, in fact, took these samples; the operators or his staff?

Hon. Mr. Bernier: I think that was in my statement, Mr. Speaker.

Mr. Lewis: Was it the minister's staff?

Hon. Mr. Bernier: The samples were taken and carried out by the operators and reported to the mines engineering branch.

Mr. Lewis: Very useful information.

Mr. Martel: A supplementary question: Doesn't the minister realize that the complaints of the men have indicated that before samples are taken, the company in fact waters down or takes the tests in front of ventilation outlets and so on?

Hon. Mr. Bernier: Yes, Mr. Speaker, I believe I mentioned that this was brought to my attention in the 60-odd complaints that were delivered to my ministry; and it is one of the points we are looking into.

Mr. Lewis: Then why introduce that material?

Mr. Martel: Finally then, in effect the ministry up until this time has done virtually nothing to ensure the health of the men in that area. Is that correct?

Mr. Lewis: They have taken those samples.

Hon. Mr. Bernier: That is entirely wrong, Mr. Speaker.

Mr. Lewis: The ministry has not taken samples itself—

Interjections by hon. members.

Mr. Lewis: It shouldn't get the companies to do its dirty work. We can't trust those companies.

Mr. Speaker: Order. The hon. member for St. George.

Mr. Martel: What has the ministry got two mine inspectors in there for anyway?

Hon. Mr. Handleman: Let the lady speak.

HOME RENEWAL PROGRAMME

Mrs. M. Campbell (St. George): Mr. Speaker, my question is addressed to the Minister of Housing. According to his statement on the home renewal programme, the indication is that this government will be dealing with the regional municipalities. Would the minister explain why he has taken this route when the federal government has been prepared to deal with the local municipalities and the problems are for the most part at the local level?

Hon. Mr. Handleman: Mr. Speaker, the legislation on the home renewal programme has not been introduced. I understand the federal government does wish to deal with local municipalities, but the local municipalities have asked us to intervene with the federal government and obtain an agreement. So far we haven't been able to get an agreement out of Mr. Basford at all. The municipalities directly want that federal money, as well as our own, and we are prepared as the province to deal with the municipalities. We can't speak for Mr. Basford.

Mrs. Campbell: Mr. Speaker, I think there was a misunderstanding. The statement was made to us by this Housing minister that this was the route that was to be taken. Is that not so?

Hon. Mr. Handleman: Mr. Speaker, I don't know what the hon. member is talking about. I have made no statement on the Ontario home renewal programme whatsoever in this House or outside this House.

Mr. Roy: Is he the Minister of Housing or not?

Mrs. Campbell: Very well then. As a supplementary question, Mr. Speaker, can I have the minister's assurance that this matter will be brought before the Provincial-Municipal Liaison Committee for clarification?

Hon. Mr. Handleman: Well, if I was sure what the hon. member was referring to I would be pleased to make that commitment, Mr. Speaker. As I say, the Ontario home renewal programme has not been discussed in the House or outside the House. She may have in mind, just to help her out, our announcement on community-sponsored housing.

Mr. Lewis: RRAP is what she has in mind.

Hon. Mr. Handleman: That's federal.

Mr. Speaker: I believe the hon. member for High Park was attempting to gain the floor.

COMPULSORY RETESTING OF DRIVERS

Mr. Shulman: A question of the Minister of Transportation and Communications, Mr. Speaker. When is the minister going to institute the programme of compulsory retesting of all drivers, which one of his predecessors, Irwin Haskett, announced on Nov. 2, 1966, was just about ready to be instituted?

Mr. Lewis: Irwin Haskett—there's a name.

An hon. member: Who's he?

Interjections by hon. members.

Hon. Mr. Rhodes: Well, Mr. Speaker—

Mr. Lewis: The minister wasn't here when he was.

Hon. Mr. Rhodes: Was the hon. member here?

Mr. Lewis: Yes, I was.

Hon. Mr. Grossman: He has made a lot more progress than the hon. member.

Hon. Mr. Rhodes: Well Mr. Speaker, I am really not too familiar with what the minister had to say in 1966. I was busy with other things then. I will be pleased to look at what he said, and if it's a worthwhile programme perhaps it should be put into effect.

Mr. Shulman: A supplementary, Mr. Speaker: Does the minister still believe this programme should be brought in? Is he still working on the programme? That's what I am really interested in.

Hon. Mr. Rhodes: Mr. Speaker, I'm not; no—

Mr. Roy: Is Mr. Haskett?

Hon. Mr. Rhodes: —but I would say that if retesting of drivers is going to help in the total safety programme on the highways, then certainly we should be doing something about it.

Mr. Speaker: The hon. member for Waterloo North.

PROPOSED COTTAGE SUBDIVISION ON NAPPAN ISLAND

Mr. E. R. Good (Waterloo North): Mr. Speaker, a question of the Minister of Natural Resources. Since the Ministry of the Treasury, Economics and Intergovernmental Affairs approved a 250-lot cottage subdivision, I believe on Nappan Island in the Trent River, did this ministry voice objection to that approval in light of the fact that in 1970 they gave an adverse report, indicating that no further development should take place on that island because of its low-lying nature in relationship to the Trent River?

An hon. member: It depends on who makes the application.

Hon. Mr. Bernier: Mr. Speaker, I will take this question as notice.

Mr. Good: A supplementary—

Mr. Speaker: I believe the hon. minister took the question as notice. There can't be a supplementary. The hon. member for Yorkview.

CENTRAL YORK TRUNK SEWER

Mr. Young: Mr. Speaker, I would like to ask a question of the Minister of Housing. Can he give us the present status of the central York trunk sewer?

Hon. Mr. Handleman: Mr. Speaker, I think that question should be directed to my colleague, the Minister of the Environment.

Mr. Lewis: He won't know the answer.

Hon. Mr. Handleman: Oh, yes he does.

Mr. Speaker: The hon. member for Downsview.

Hon. Mr. Rhodes: It wasn't his turn, was it?

Mr. Speaker: Was there a supplementary?

Mr. Roy: No, sir.

Mr. Speaker: Order, please. Was there a supplementary? Yes, I'll permit a supplementary.

Interjections by hon. members.

Mr. Young: Mr. Speaker, if the hon. Minister of the Environment is the person to whom to direct this question—

Interjection by an hon. member.

Mr. Young: —would he outline the present status of the central York trunk sewer? It runs, as I understand it, from Duffins Creek to Newcastle.

Hon. W. Newman (Minister of the Environment): Well the present status is this: The hearings will resume, I believe, on May 14. That is the date from the Environmental Hearing Board. There are negotiations going on between this ministry and the regional municipalities of York and Durham and Metropolitan Toronto at this point in time.

Mr. Speaker: The hon. member for Downsview.

INTERNS' AND RESIDENTS' DISPUTE WITH HOSPITALS

Mr. Singer: Mr. Speaker, I have a question of the Minister of Health. Could the minister tell us whether the present negotiations that are apparently proceeding with interns and resident doctors in Hamilton, are going to be equally applicable to interns and residents in other Ontario centres, particularly Toronto and the large cities where there are large hospitals? Or are these negotiations solely confined to teaching hospitals? In other words, is the minister going to do something about all the interns and residents who are serving in hospitals in the Province of Ontario?

Mr. Roy: That was a good question.

Hon. F. S. Miller (Minister of Health): Well Mr. Speaker, as the hon. member knows, I don't get involved in negotiations.

Mr. Singer: That's the problem.

Mr. Roy: That's the problem.

Mr. Singer: We'll get the leader of the NDP to help the minister.

Mr. Roy: He's a good PR man.

Hon. Mr. Miller: They won't let me go into cabinet meetings anymore.

Mr. Lewis: It's all right. They're not very exciting anyway.

Mr. R. F. Ruston (Essex-Kent): The leader of the NDP will join any party.

Hon. Mr. Miller: Mr. Speaker, it is my understanding that the negotiations going on between the interns and residents and the Ontario Council of Administrators, which broke down a short while back, were, according to the information I got, applicable to all hospitals if they were successfully concluded —all the hospitals with interns and residents.

Mr. Singer: Well by way of supplementary, can the minister give us any report on the progress of these negotiations?

Hon. Mr. Miller: Not up to date progress, Mr. Speaker. The issue that is at dispute at the present time is who has the jurisdiction to settle the questions brought up by the interns and residents; because these issues were not all monetary, some overlapped into the fields of teaching. Now because of this, there was some question as to whether the administrators had jurisdiction to resolve these issues. Advice I've been given would indicate they do have. However, I'm having this checked and I'm taking some steps tomorrow, meeting with people from the medical schools and so on to try and clarify these matters.

Mr. Speaker: The hon. member for Wentworth.

RESALE OF HOME PROGRAMME HOUSES

Mr. Deans: Thank you. I have a question of the Minister of Housing. Is the Minister of Housing able to confirm or deny the suggestion that the Ontario Housing Corp. has been aware of a practice currently going on with regard to the resale of HOME properties—whereby the option to purchase the land has been offered for sale as a separate item apart from the actual approved value and sale of the home itself?

Hon. Mr. Handleman: Yes, Mr. Speaker, OHC is aware of that and other practices which are designed to circumvent the restrictions in the resale of HOME units. I think this would be an appropriate time to advise the House and the hon. member that we have referred a number of cases to the OPP for investigation; and any other cases that come to my attention will be studied in that light too.

Mr. Deans: By way of a supplementary question: Can I first ask whether the minister will make it clear, by way of a letter through the Ontario Housing Corp. to everyone who owns a HOME dwelling at this time in the province, that that is an illegal act?

Mr. Lewis: That's right.

Mr. Deans: If it is not an illegal act, will the minister take some steps in this House in the immediate future to make it an illegal act? And third, will the minister please incorporate into the HOME programme the provision that I suggested some weeks ago, that repurchase by the HOME programme be the first option open to a seller of a HOME lot?

Hon. Mr. Handleman: Mr. Speaker, with regard to the first part of the question, I believe the purpose of the OPP investigation is to determine whether charges can be laid and some illegal acts have taken place. Until that happens, I think it would be presumptuous on my part, and premature, to determine the legality or illegality of a variety of actions on the part of private homeowners.

Mr. Cassidy: The minister will find he left a loophole wide open.

Hon. Mr. Handleman: With regard to the second part of the question, Mr. Speaker, we are certainly considering all possibilities to close any loopholes which may exist in the restrictions.

Mr. Cassidy: They do exist!

Hon. Mr. Handleman: On the other hand, if we accept the fact the purpose of the programme is to provide all of the rights of home ownership to people who could not otherwise afford it, then in fact we're chipping away home ownership rights. I'm not suggesting we may not have to do that.

Mr. Lewis: Oh come on.

Mr. Deans: Don't use that argument.

Hon. Mr. Handleman: If one accepts the philosophy of home ownership as being full ownership with all the rights of ownership, any restrictions on that means one is departing from the philosophy of home ownership.

Mr. Deans: The minister has already departed from that.

Mr. Lewis: He departed from that when he leased the land.

Mr. Speaker: The hon. member for Ottawa East.

Mr. E. Sargent (Grey-Bruce): May I ask a supplementary?

Mr. Speaker: There have been four supplementaries at this time. There are a few minutes remaining and I think we have had enough supplementaries.

The member for Ottawa East.

LOW-COST DENTURE PROGRAMME

Mr. Roy: Mr. Speaker, I have a question of the Minister of Health dealing with the low-cost denture programme.

In view of the Premier's statement last week that he was not satisfied with the programme being offered by the province's dentists—in fact, he said on CHUM radio station that it has not worked effectively—what does the Minister of Health plan to do to correct that situation?

Second, does he plan to make a statement in relation to the denturists to assist in clearing up this situation?

Hon. Mr. Miller: Mr. Speaker, this question really, in one form or another, has been asked of me quite a few times in the House.

Mr. Lewis: I wonder why?

Mr. Reid: I am glad the minister recognizes that.

Hon. Mr. Miller: I have made my position very clear, Mr. Speaker. There will—

Mr. Roy: What is his position?

Hon. Mr. Miller: My position is one of flexibility at the present time.

Mr. Reid: That is more than we used to get.

Mr. Roy: A supplementary of the minister: Does he not think it is time for him to quit playing games with this issue and come out with a definitive statement on this point, in view of his statement to the denturists that he was to have an answer for them some time in March or April?

Hon. Mr. Miller: Somebody suggested I should give the member a partial answer.

Hon. D. R. Timbrell (Minister without Portfolio): He might have bridged the gap.

Hon. Mr. Miller: That is very good. The member should be asking questions of the Minister without Portfolio; he suggests now that I should bridge the gap.

Interjections by hon. members.

Hon. Mr. Miller: He has time to prepare thoughts like that.

Mr. Speaker: There are a few moments remaining.

Hon. Mr. Miller: I realize that, Mr. Speaker; that's why I am taking my time. I am not playing games. I am considering it very carefully and I have told people that. Once I have managed to cross that bridge the member will have my answer.

Mr. Roy: For God's sake, the minister should make up his mind.

Mr. Speaker: The hon. member for Sudbury East.

PAYMENT FOR ACUPUNCTURE TREATMENT OF WCB PATIENTS

Mr. Martel: A question of the Minister of Labour? Can the minister indicate if his ministry is willing to change its present policy with respect to payment by the Workmen's Compensation Board for acupuncture treatment so that people in northern Ontario can enjoy the benefits of this treatment whereas the present policy is it is available only in the three paying centres located in Toronto, Hamilton and London?

Mr. Shulman: Stop giving him the needle.

Hon. Mr. Grossman: Does the member for High Park believe in that?

Hon. Mr. Guindon: Mr. Speaker, I have heard only recently that some patients were taken to doctors who could give acupuncture service in Toronto. However, I am told that very few cases are being treated by acupuncture. Doctors who can do both are specialists.

I haven't considered as yet whether it is a worthwhile programme, but I will give the matter consideration.

Mr. Speaker: The member for Huron-Bruce is next.

HOPE TOWNSHIP GARBAGE SITE

Mr. Gaunt: Thank you, Mr. Speaker, I have a question of the Minister of the Environment.

When will the ministry's technical assessment be completed with respect to the Hope township garbage disposal site?

Hon. W. Newman: As soon as possible.

Mr. Speaker: The member for Windsor West.

Mr. Gaunt: A suplementary, Mr. Speaker: In view of the fact the minister's predecessor said three months ago that it was just about ready, are we to expect that it will take another three months?

Mr. Roy: The minister can tell him he is not bound by that statement.

Hon. W. Newman: I said as soon as possible. I have inspected the site myself and I have asked for further information. I said as soon as possible.

Mr. Gaunt: A supplementary: Would the minister agree that that particular site should not be ravaged by a landfill site?

An hon. member: Of course he will agree.

Hon. W. Newman: The member will get my report in the fullness of time.

Mr. Speaker: The member for Windsor West.

TORONTO BOARD OF EDUCATION EDUCATIONAL ASSISTANTS

Mr. E. J. Bounsall (Windsor West): I have a question of the Minister of Education, Mr. Speaker. Is he aware that the educational assistants employed by the Toronto Board of Education have just received a letter indicating that for all of them hired prior to Nov. 22, 1972—and that's about 150 employees—their per hourly rate will be reduced by 5.5 cents an hour; and that all those hired this year after March 1 will be receiving $2.93 an hour, where even six or eight years ago the hourly rate was $3 an hour? Are the minister's educational spending ceilings so tight on the Toronto board that they feel they must reduce the hourly rate of these employees in this time of inflation?

Hon. T. L. Wells (Minister of Education): The answer to both those questions is no, Mr. Speaker.

Mr. Speaker: The hon. member for Rainy River.

VIOLENCE IN AMATEUR HOCKEY

Mr. Reid: Thank you, Mr. Speaker. I have a question of the Minister of Community and Social Services. Do I interpret his remarks correctly with regard to Mr. McMurtry's appointment in regard to hockey violence? Do I interpret his remarks to mean he is paying $5,000 worth of taxpayers' money to conduct an investigation to see if there should be an investigation?

Hon. R. Brunelle: (Minister of Community and Social Services): Mr. Speaker, I'd be glad to send a copy of my statement to the hon. member.

Mr. Reid: It's not the statement we want.

Hon. Mr. Brunelle: The member asked me a question about the cost of the inquiry. I said it would be about $5,000 and that would include the fees of Mr. McMurtry.

Mr. Reid: That is not what I asked, Mr. Speaker. By way of a supplementary, has the minister appointed Mr. McMurtry to conduct an investigation to see whether there should be an investigation of the whole concept of the violence in hockey?

Hon. Mr. Brunelle: Again, if the member will read the last paragraph of my statement, we have appointed Mr. McMurtry to look into the Bramalea incident and its implications. I also mentioned that, if as a result of that inquiry, it is felt that there should be a fuller and wider inquiry into violence in hockey or amateur sports, we will do so.

Mr. Reid: One short supplementary: Will Mr. McMurtry be holding public hearings? A lot of people have contacted me and want to talk to him.

Hon. Mr. Brunelle: He has all the authority under the Public Inquiries Act, Mr. Speaker, to do so.

Mr. Roy: Give me $5,000 and I'll do it.

Mr. Speaker: The hon. member for Nickel Belt.

FOUR-LANE HIGHWAYS IN NORTHERN ONTARIO

Mr. F. Laughren (Nickel Belt): Mr. Speaker, I have a question of the Minister of Transportation and Communications: It is the same question that I put to the minister on Tuesday. In view of the minister's statements in February and on the weekend that he was

going to criss-cross northern Ontario with four-lane highways, I wonder if he could indicate to the Legislature that he is going to change his present policy of doing a feasibility study for five years, then building 10 miles over a five-year period, and then another feasibility study for five years?

Interjections by hon. members.

Mr. Speaker: I think there was a great deal of commotion on the other occasion upon which the question was asked. I think it's fair that the question be put again today.

Mr. Laughren: Thank you, Mr. Speaker.

Mr. D. C. MacDonald (York South): The minister didn't give him a reply last time.

Mr. Roy: That is embarrassing. He is going to have to answer it this time.

Hon. Mr. Rhodes: Thank you, Mr. Speaker. I think it is only right that he be given a chance. If his colleagues will allow me to answer, I would be pleased to do so.

I certainly agree with the hon. member that the delays in having these studies completed are frustrating and it doesn't help to get the work under way that is needed on northern Ontario highways. Some of the delays are almost required because of the studies, with which the hon. member is familiar, that were carried ont in his particular riding as to the extension of Highway 17 from Lively to Whitefish. These studies have to be carried out if we're going to keep any reasonable rapport with the people to determine where these routes are going to be. They do take time.

Anything that I can do, and I say this with the utmost sincerity, to speed up that process, I shall do. But I certainly don't want to be accused by anyone of taking rights away from other people who want to have their input. That's exactly what we're talking about. That's the major part of the study.

Hon. Mr. Grossman: The member opposite doesn't believe in public participation.

Mr. Laughren: A supplementary, Mr. Speaker: Does the minister believe that it could be conducted for more than a 10-mile stretch of highway; that he could, in fact, have a feasibility study which would cover 50 or 100 miles, if he's serious about it?

Hon. Mr. Rhodes: Yes, Mr. Speaker, that's correct. For example, there are, I think, feasibility studies being carried on now by the ministry up in that area of stretches that are 30, 40 and 50 miles. One in particular is of a stretch running easterly out of Sault Ste. Marie which is over 35 to 40 miles. And other studies are being carried on in anticipation of the next leg of the development.

Mr. Speaker: There are just about 30 seconds remaining. The hon. Minister of Housing has the answer to a question asked before.

Mr. Cassidy: Again?

OHC TENANTS DISPUTE

Hon. Mr. Handleman: Thank you, Mr. Speaker. The member for Downsview asked two questions about the OHC Lawrence Heights project where there was a disturbance a couple of weekends ago and I promised him a report.

The reports from the OHC indicated that on April 19 a motor vehicle accident involving two youths in the project led to an argument between families living on Cather Cres. On the evening of April 20 at least one man was injured. The two groups threatened each other. Police were called and a charge has been laid.

The next evening police dispersed a crowd of persons, both within the project and outside it.

On April 22, a group of tenants met with OHC's senior management and additional security was assigned to patrol the area to prevent further disturbances and work closely with the Metro police. Since then, patrols have been frequent and nothing unusual has been noticed.

In reply to the supplementary question, it is correct that the trouble would seem to have centred around one household. A notice to vacate has been given arising from other matters, including rental arrears. The question of proceeding to an eviction has to be considered by the board of directors of OHC.

Mr. Speaker: I regret that the time for oral questions has expired.

Hon. Mr. Timbrell: You regret it?

Mr. Speaker: Yes, I regret that I could not get the hon. member for Grey-Bruce in.

An hon. member: We don't.

Mr. Sargent: So does the government.

Mr. Speaker: Petitions.

Presenting reports.

Mr. Taylor, from the standing private bills committee, presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bills with certain amendments:

Bill Pr12, An Act respecting the City of Niagara Falls.

Bill Pr27, An Act respecting the Town of Oakville.

Bill Pr30, An Act respecting the City of Toronto.

Your committee would recommend that the time for presenting reports by the committee be extended to Thursday, May 9, 1974.

Report agreed to.

Mr. Speaker: Motions.

Introduction of bills.

ONTARIO WASTE DISPOSAL AND RECLAMATION COMMISSION ACT

Mr. B. Newman moves first reading of bill intituled, An Act to establish the Ontario Waste Disposal and Reclamation Commission.

Motion agreed to; first reading of the bill.

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, the purpose of this bill is to provide solid waste disposal and reclamation services throughout the province, including incineration and landfill, to develop procedures and establish plants for the reclamation and recycling of paper, metal, glass and other materials, to study methods of marketing reclaimed materials and to provide waste collection services in areas where it would be uneconomical for local authorities to do so.

MUNICIPAL ACT

Mr. Deans moves first reading of bill intituled, An Act to amend the Municipal Act.

Motion agreed to; first reading of the bill.

Mr. Deans: Mr. Speaker, the purpose of the bill is to add solicitor to the list of persons who may be dismissed from office only after a hearing. The reason for the bill is that in the city of Hamilton of late there was a dispute arose between the solicitor and the council which might well have resulted in his dismissal without hearing. It seems to make good sense that a senior official of any municipality should be afforded as much protection as possible in order that he might be able to carry out his responsibilities without fear of political or other interference.

I might say, sir, that this is in the form of a housekeeping amendment. I've discussed the matter with both the Treasurer of the province (Mr. White) and with the Attorney General (Mr. Welch) and believe that I may have their support, though I am not absolutely sure of anything, ever.

Mr. Reid: The member wouldn't want to bet on it.

PROPERTY TAX STABILIZATION ACT

Hon. Mr. Irvine, in the absence of Hon. Mr. White, moves first reading of bill intituled, An Act to amend the Property Tax Stabilization Act, 1973.

Motion agreed to; first reading of the bill.

Hon. D. R. Irvine (Minister without Portfolio): Mr. Speaker, this bill provides for enrichment to the resource equalization grant, the general support grant and the special support grant to northern municipalities which we promised in the budget statement.

We will add approximately $15 million to the resource equalization grant programme, which will then total $70 million this year; we will add approximately $33 million to the general support grant programme, which will total approximately $82 million; and we will increase the rate for the special support grant for northern municipalities from 10 to 12 per cent, or an increase from $9.9 million to $13.9 million.

The above amendments to the Property Tax Stabilization Act, together with additional changes to other unconditional grant programmes, will go a long way in preventing otherwise inevitable and significant increases in property tax levels in 1974.

REGIONAL MUNICIPAL GRANTS ACT

Hon. Mr. Irvine, in the absence of Hon. Mr. White, moves first reading of bill intituled, An Act to amend the Regional Municipal Grants Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Irvine: Mr. Speaker, this bill carries out our budget commitment to pro-

vide increased per capita grants to regional municipalities.

It increases the basic grant from $8 to $8.80 and provides for an additional 20 cents to cover the cost of increased planning responsibilities.

Payments to assist with the cost of regional police forces are increased from $5 to $7; and the grant toward the cost of police service provided by area municipalities, within the regions, is increased from $3 to $5.

Another significant amendment provides for the calculation of population from assessment rolls rather than from the national census which is frequently out-of-date.

Again, the above amendments are part of the province's programme of enriched transfers to local governments in 1974, involving a total of $124 million of enrichments over and above an increase in existing grant programmes of $115 million. In other words, Mr. Speaker, the province will be providing local government with approximately $239 million more financial assistance than we did in the year 1973-1974.

Mr. Sargent: How much did it cost? It cost $500 million. Tell them that tomorrow night at Port Elgin.

Hon. Mr. Irvine: I'll be there.

Mr. Sargent: So will I.

MUNICIPAL UNCONDITIONAL GRANTS ACT

Hon. Mr. Irvine, in the absence of Hon. Mr. White, moves first reading of bill intituled, An Act to amend the Municipal Unconditional Grants Act, 1974.

Motion agreed to; first reading of the bill.

Hon. Mr. Irvine: Mr. Speaker, this bill gives effect to the announcement in the budget that we will increase the unconditional per capita grants to municipalities from the range of $5.05 to $7.10 to the range of $6 to $8. It also provides for an increase from $3 to $5 to assist with the cost of municipal policing. Another feature of the bill is provision for the Treasurer to make a grant or loan to municipalities which incur a substantial loss of revenue in certain circumstances. This bill is an important part of the province's announced policy to guarantee participation in provincial revenue growth involving $124 million in enriched assistance to those governments in 1974.

FINANCIAL ADMINISTRATION ACT

Hon. Mr. Irvine moves first reading of bill intituled, An Act to amend the Financial Administration Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Irvine: Mr. Speaker, this is a housekeeping bill. The purpose of the bill is to delete the references in the Act to the comptroller of accounts because this position has now become redundant with the establishment of the post audit system of accounts.

Mr. Speaker: Introduction of bills. Any further bills?

Hon. Mr. Bernier: Mr. Speaker, before the next bill is introduced may I take the opportunity to draw to the attention of the House that we have a group of school children from the Kenora area, from the Valley View Public School—the grade 8 students led by their teacher Bill Downey. They have come a distance of about 1,250 miles and have taken advantage of the Ministry of Education's Young Travellers programme.

Mr. Speaker: Orders of the day.

Clerk of the House: The 16th order, House in committee of supply.

ESTIMATES, MINISTRY OF ENERGY
(*continued*)

On votes 1801 and 1802:

Mr. Chairman: This is continuing from where we were when we were last in this particular committee. Any further comments?

The member for Rainy River.

Mr. T. P. Reid (Rainy River): I had surrendered the floor at the close of the debate but I just have two items I would like to bring to the minister's attention, the first one in relation to his responsibilities in regard to Ontario Hydro.

As the minister is aware, Ontario Hydro has indicated that it will be building some generating plants in northern Ontario and particularly in northwestern Ontario. I am here to make a plea for building, I believe it's an 800 kv plant, in the vicinity of or close to the town of Atikokan. I won't go into a great deal of detail, Mr. Chairman. The township of Atikokan has been in touch with Ontario Hydro indicating why they feel that Atikokan would be a good site for such a plant.

I believe that Ontario Hydro, if I am not incorrect, is planning a plant of 800 kv capacity, in increments of 200 kv. Atikokan is ideally situated, Mr. Chairman, as the location for such a Hydro plant. It is easily reached by rail from the west; I understand the electricity generated will devolve from fossil fuel, coal in particular. The rail line is twinned as far as Atikokan and it would be an ideal spot for a plant that would be using coal in particular.

It also would be ideally located, Mr. Chairman, to be able to provide energy, electricity, for the propsed new development at Lake St. Joe, which would be north of Atikokan. It would also be able to provide direct access to the town of Atikokan on the west and provide power up north to Ignace, Sioux Lookout and the Lake St. Joe and Sturgeon Lake areas.

So I would like to suggest to the minister that because of the ideal location of Atikokan and because of other problems that that community may have because of the mining situation there in the future, this would be an industry that could well be located in the township of Atikokan.

The other matter I would like to speak on briefly, Mr. Chairman, I raise by way of—

Hon. W. D. McKeough (Minister of Energy): May I answer that?

Mr. Reid: Yes, if you would.

Hon. Mr. McKeough: Atikokan was not one of the 11 sites, I think, around Thunder Bay which were originally considered, and I think the member is aware that there have been suggestions from Geraldton, Nipigon and, more latterly, Atikokan. I'm told that these locations are being looked at and one at Dog Lake—I'm not sure where Dog Lake is.

Mr. J. F. Foulds (Port Arthur): It is in my riding.

Hon. Mr. McKeough: In northwestern Ontario? With particular reference to Atikokan, the member for Rainy River should know that he has a great friend and supporter—and he wouldn't really believe this—in the hon. member for Fort William (Mr. Jessiman).

Mr. Reid: For Atikokan being the location?

Hon. Mr. McKeough: I am just saying that he should know he has allies in high places.

Mr. Reid: I'm certainly glad to hear that. Can the minister indicate when such a decision might be made?

Mr. Foulds: If I had an ally like that, I'd know my case was destroyed. I'd be nervous about it if I were the hon. member.

Mr. Reid: Can the minister indicate when a decision might be made on that?

Hon. Mr. McKeough: Hydro is still very much in the process of public participation and until that is concluded really won't arrive at a timetable. I'm guessing, but it will probably be three, four or five months—something like that.

Mr. Reid: Okay, fine. I thank the minister for his answer, Mr. Chairman.

The other thing is in relation to the matter I raised during the question period in connection with the fantastic industry that is going to become available in regard to nuclear plants. As the minister knows, but some of the members of the House may not be aware, most of the plants will be built in Ontario and Quebec, as I understand it, and probably very few will be built anywhere else in Canada.

Hon. Mr. McKeough: New Brunswick.

Mr. Reid: New Brunswick perhaps, yes. I understand, though, that the possible associated industry could be in the $60-billion to $100-billion bracket to provide for these plants. And it bothers me immensely that Canada and the Province of Ontario, which developed the technology, may not be in a position to take advantage of this market both in Canada and when the process is sold outside of Canada.

The minister has indicated that the Ministry of Industry and Tourism (Mr. Bennett) is looking at this matter, but I would suggest that this is a much better programme for the people of Ontario to get into than, say, GO-Urban, and that the minister should use his good offices to come up with a programme to provide those industries that will in fact make the components for the nuclear plants.

Hon. Mr. McKeough: Better than Minaki?

Mr. Reid: Better than Minaki, believe me.

Mr. Chairman: The member for York South.

Mr. D. C. MacDonald (York South): Mr. Chairman, I have four areas generally in the policy jurisdiction that I would like to raise

with the minister. Some of them I engaged him in somewhat successfully or unsuccessfully in that distant past when we got going on these estimates. I'd like to return to them.

The first one is that during the course of the minister's response to my leadoff statement, he got on his little political podium and delivered some ideological pronouncements, which quite frankly I think were fairly close to garbage. I don't really believe that the minister believes as he says, and if he does it is rather a serious lapse from his normally intelligent appreciation of topics, even when he doesn't happen to agree with them.

For example, without particularly wanting to revive the argument but just to set the context, let me give you two quotes from the instant Hansard; I haven't checked them in the actual printed Hansard. Said the minister, "I will tell you very simply. I am not a socialist. I believe in a profit. I believe in a return on investment. That separates us and we really can't talk about our problems." That's what I call opting out—"We really can't talk about our problems." The chasm is so great that even the Minister of Energy, energetic as he is, can't bridge it.

Secondly he said, "I'm not here to apologize and I will not apologize for the oil companies." That one really mystifies me when I take some quotes from his numerous speeches across the province. How he can describe them as not apologies for the oil companies disturbs me a bit.

However, within that context, I want to raise with the minister a very interesting article which was carried in the Globe and Mail under the byline of Norman Webster on June 15, 1973, in which the Globe and Mail reporter solicited the minister's views with regard to the development of the tar sands in Alberta. He intimates in the lead paragraph that it's one of the possibilities that the Ontario government will be considering in the coming decade as it looks for larger and more secure energy supplies, namely that Ontario should be involved in it. Let me quote just two or three paragraphs; this is the minister:

> There are going to be places where the government, having gone through all other alternatives, will have to say, "Okay, we'll have to put up the bucks because this is so important."

But Mr. McKeough noted that Mr. Lougheed had also said that he wants Canadian ownership of the oil sands.

> We would try to help them find Canadian investors and we might have to help them directly. It may be that Alberta would want to spread the risk and want Ontario as a partner if it couldn't get the money for investment privately.

Incidentally, by way of interjection, I haven't been particularly impressed with Peter Lougheed's efforts to get Canadian money in Syncrude. If there ever was a consortium of multinational corporations all of whom were American, that's it—clear-cut and simple.

However, to continue:

> It is no small matter, Mr. McKeough notes, that the price tag on plants to develop the oil sands runs to $600 or $700 million each.
>
> It's a large sum, but Mr. McKeough said he is prepared to contemplate such outlays because of the stakes involved. Ontario depends on outside sources for 80 per cent of its energy and if radical measures are necessary to secure future assured supplies, so be it.
>
> Mr. McKeough would not draw the line, for example, at buying an oil company. "As a last resort."

Mr. J. R. Breithaupt (Kitchener): I'd like one, too.

Mr. MacDonald: To continue:

> He said the Quebec government is talking about building a refinery and "I think about that some days." Mr. McKeough's thoughts are not yet government policy—

I hate to interrupt the House leader.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): You haven't.

Mr. MacDonald: I'll go on:

> Mr. McKeough's thoughts are not yet government policy but they are much more than the musings of an academic futurist.

I'd like to discover exactly what they are. If these are the musings of an academic futurist they are in striking contrast to the unqualified profession of support for free enterprise and the vigorous condemnation of what is normally described as a socialist approach to solutions.

I'd like to solicit from the minister how much of this futuristic musing that he engaged in with Norman Webster is likely to become reality? Perhaps more specifically, what stage has the minister's thinking reached in terms of his feeling that there is need for the government of the Province of Ontario to reach out into other provinces and even down into the United States by way of purchase of

energy sources or solid options on energy sources for the foreseeable future?

Hon. Mr. McKeough: I don't think I have anything to add to what I said to Mr. Webster a year ago. I would take the position that my position hasn't changed. Whereas a year ago I was speaking as a parliamentary assistant, I think those words which the member has read would reflect the views of the government. Certainly, I don't think I would change any of them particularly here today.

With reference to specifics, I am not in a position to indicate to the House that we are about to buy an oil company or put $1 billion into a tar sands plant. Those are two examples that are used. I could tell him that there are a number of things being pursued from time to time and when we have something more definite it will be announced here in the House.

Mr. MacDonald: Well, I suppose we will have to bide our time. But just by way of a final shot on this; does the minister really believe that all of that is in keeping with the traditional classic approach of free enterprise?

Hon. Mr. McKeough: Not completely, perhaps not a classical approach. The hon. member has characterized it that way, not I, myself. What I have said is that if the private sector is not able to do or is not doing the job, then there very definitely is a role for government.

Mr. MacDonald: So it is just possible that free enterprise plays with socialism as much as the minister alleges socialists play with "free enterprise" in recognizing the role for profits. Would he concede that in a quiet moment of rational reflection?

Hon. Mr. McKeough: No, I wouldn't.

Mr. MacDonald: He wouldn't. Well, we will leave the matter then.

Hon. Mr. McKeough: I didn't follow it that closely and therefore don't want to easily agree with the member.

Mr. MacDonald: I would like to pursue in similar vein the minister's reflections as they were given to the Canadian Association of Petroleum Landmen at a meeting in Calgary, Alta. on April 16, 1974. The minister was reflecting on the rather urgent need for Ontario to secure its supplies of natural gas in the future. He pointed out that there is some problem in terms of that assurance and he indicated that there are two alternatives. The first alternative is to increase production from the westerly sedimentary basin, largely in Alberta. The second one was to move into the new sources, the Mackenzie Valley, the Arctic islands and the possible gasification of coal. On the next page in his text he said:

> The most apparent simple procedure would be to divert this natural gas that we now export to the United States in order to meet Ontario's needs and to add it to the supplies available to domestic users in Canada. I will not deny that the day may come when I could find no alternative in the short-term interests of the consumers of eastern Canada but to ally myself with those who advocate such a procedure. Canada, perhaps, should not have committed the additional exports that we did in 1970.

Later again on the next page, however, he comes to the conclusion that:

> Curtailing exports is obviously a desperate last resort. It doesn't need to come to that at the present time.

Well, the point I want to raise with the minister is surely that line of reasoning and that conclusion begs the real question or the real point in this whole problem. The real point is that if we are going to export all of the less expensive natural gas that is available now in Alberta and replace it with the much more expensive natural gas far up in the Arctic, which is going to be brought down by the Mackenzie pipeline, as the Minister of Energy in the Province of Ontario and with the role of protecting that consumer from unnecessary price increases, I suggest the minister is not fulfilling his job.

If one goes back to that observation of the minister's with regard to the questionable advisability of increasing those exports in 1970 to the extent that we did to the United States, haven't we got one of the keys to the problem that the minister is avoiding.

As Eric Kierans has pointed out—and he gained some fairly significant headlines on it —in 1970, in the self-serving ways that the companies provided statistics—and the governments have unquestionably used them—they accepted the evidence of the gas companies to the effect that there was such a surplus of gas in Canada that there was not any possibility of endangering the supply; we could export more to the United States.

The same companies are now arguing that we are faced with a prospective shortage and are taking the opposite thrust, that we need to build a pipellne in order to get supplies from the Arctic and up the Mackenzie Valley to replace those diminishing

reserves that you find in the Province of Alberta. Right?

Hon. Mr. McKeough: I was there when Mr. Kierans made that speech. I think to some extent it is criticism of the board on that issue, and perhaps somewhat unfair. It is perhaps academic in any case, because it happened in 1970 and it is water under the bridge.

The fact is—and you have read part of his speech—the board in fact did not accept the figures that were put in front of them by the industry. I have forgotten the figures and they are too large in any case. But the board had done their own studies; the board had the figures of the Alberta board, the industry presentation; the board substantially cut those figures and decided there still was a surplus, an allowable surplus, and allowed it. But they didn't accept—and this is the mistake, I think, with great respect, that Mr. Kierans made, in saying that the board had accepted the industry's figures. In fact they didn't. They arrived at their own conclusions, from their own sources, some of which would be the industry, some the Alberta board.

Part of what the problem has been since 1970 is that the rate of find has not been what I think the board, the industry, and others thought it would be.

Historically, we have been adding about 2.5 tcf as a reserve in the western sedimentary basin, and that has not happened since 1970. It has fallen off quite dramatically, and that is part of the reason that we are in trouble. The estimates of demand in 1970 are just about on—at least what was estimated in 1970, as I understand it, is just about what is being used today—the demand estimates were all right, but the supply estimates, because of the lack of rate of find, have proved not to be as good as expected. I just make that point, and I'll come back to your pricing point in a minute—

Mr. MacDonald: Are you suggesting that the decision for export of greater quantities of natural gas in 1970 was based on the likely prospect that our reserves would be added to each year by that quantity, and we have dropped off?

Hon. Mr. McKeough: Yes.

Mr. MacDonald: Well, I was under the impression that the board normally has operated on the assumption of granting export permits only on the basis of proven reserves that we know for dead certain we have got.

Hon. Mr. McKeough: And they make projections based on an historic finding rate, and that historic finding rate has not held up.

Mr. MacDonald: We are talking at cross purposes. My point, and I may be wrong—if I am wrong, I ask the minister to correct me — but my understanding was that the board gave export permits not on the prospective finding rate based on any historical standards, but on the basis of proven reserves. And on the basis of proven reserves, they either took the company's figures or their own figures, or the Alberta board's figures, and have made a miscalculation which has now gotten them into a reverse kind of argument, namely that we have got to develop the Mackenzie line and all the northern sources of gas in order to compensate for the inadequacies in the sedimentary basin in Alberta.

Mr. J. E. Stokes (Thunder Bay): All the expensive sources.

Mr. MacDonald: Right, all the expensive sources.

Hon. Mr. McKeough: Let me put it this way—and I'm a little out of my depth as well —the National Energy Board Act requires the board to look at the rate of discovery. Even aside from that, let's assume for the moment that what they found in 1970 was correct and that there was a surplus then. Since there hasn't been the same rate of find as was expected from 1970 until now, there is today not a surplus. Do you follow me on that score? I think there are variations of that, but that is essentially what I am saying.

Mr. MacDonald: Okay, let me come back, let's not quibble on that, because I see the qualification that the minister is introducing and whether or not it was done on the basis of proven reserves or prospective reserves, on the basis of historic finds, is a secondary concern.

The thing that rather puzzles me about the all-out support that the minister has given on behalf of the Province of Ontario for the Mackenzie Valley line is, how can the government support this application when all the information to be placed before the board, and particularly that related to the proven reserves, is not yet available? There is no indication as yet that the project, the Mackenzie Valley line, is economically feasible, that its huge capital requirements wouldn't disrupt Canada's economic development, or that it wouldn't cause irreparable damage to the tender environment.

The minister is always emphasizing these as prerequisites for any kind of energy development. How come you come out with an unqualified support for that when we are about to get the evidence as to whether or not these necessary prerequisites are going to be met?

Hon. Mr. McKeough: I'll come back to that point. You raised the question of price in terms of substituting higher priced frontier gas or coal gasification as opposed to what we are exporting to the States now, which is at a lower price, though not that much lower due to recent decisions in Alberta, but something lower.

There are section 11(a) hearings which have been concluded now by the National Energy Board on the price of gas for export, and in our intervention and in our argument we raised those questions exactly as the member has raised them. In effect, we raised the question of a two-price system and we very definitely raised the point in the intervention of the possibility of pricing exports today at the replacement cost when it comes from the frontier. I don't know what the board will decide on all that.

The board and government policy has been that exports—and this varies from month to month, depending on where contracts stand—essentially are priced at 105 per cent of the domestic price. I don't think that is good enough today, leaving aside for the minute who gets the extra price and whether the producer, Alberta or the consumer in Ontario gets the benefit of it. I don't think 105 per cent is good enough.

One reason is that Union Gas brought gas from the panhandle—at one point I think they were bringing half their gas from the panhandle—this was away back. The tariff then established by the FPC in the States was that Union would pay in Windsor 120 per cent of what was being charged in Detroit and across the border. It strikes me that if 120 per cent was right in one case, 105 is wrong in the other. It may be more than that. As I say, we did raise in our intervention the whole question of pricing the exports at a replacement cost.

To say that I have wholeheartedly supported the pipeline from the Arctic I think is an over-simplification. Based on what has been put in front of the Alberta board, in front of the National Energy Board, our own studies, ACE, Hydro, everybody, we would say that by the 1980s, gas is going to be needed from some other source other than the western sedimentary basin. That gas might come from—and I said this in the speech—the Arctic, might come from the delta and could come, if the economics were right at that point, from the gasification of coal. It would be our best guess that the most economic and most sensible place for it to come from, when it is needed in the 1980s, will be from the delta. On that basis, we say the pipeline is going to be needed.

Those circumstances could change. If, for example, El Paso have their day and make their point then, so we are told, the economics of gas from the delta would change dramatically. If you were just bringing Canadian gas out and perhaps only to Canadian markets, if that is the size of the reserve, that could make—and this is hypothetical at this moment—enough change in the economics that the gasification of coal might be more economic than bringing gas in from the delta at that point in time.

That's a decision which will have to be made as those facts unfold. We are studying what's been filed, along with everybody else, and that is mainly environmental and social rather than what you were just talking about in terms of what will be in the filing which will go before the Energy Board as opposed to before the Berger hearings.

From the knowledge we have our best guess is that the gas is going to be needed; it's necessary and it's the best place to get it. We attach and will attach, if we ultimately intervene, and I expect we will, in the Mackenzie hearings—we will change our mind perhaps along the way but at this moment I would say, "Yes, we support it. We think it's the best place and we want to hear the evidence." We reserve the right to change our mind but we do want to be assured that the social and economic costs are all taken into account; that the damage to the environment is minimized; that the environment is protected; and in reverse order—I think this is perhaps the most important thing—that the native rights question is settled and settled to their satisfaction.

You can interpret all that as enthusiastic—no, all-out—support. I would say there is a lot of qualifications and there's a lot of water to go under the bridge before it's all-out support. At this moment, looking that far ahead, I would say that's the best bet.

Mr. MacDonald: My colleague from Thunder Bay has a related question. If we can deal with it tidily I'll give the floor to him momentarily.

Mr. Stokes: I would like to pursue this a bit further with the minister having visited the Mackenzie delta area, particularly Inuvik, and found out what the feeling was of the Chamber of Commerce in that part of the Northwest Territories, and having talked to people with the Arctic Research Centre up there. They wanted to know when the new Minister of Energy for Ontario was going to visit that area and become actively involved in endorsing such a project for the orderly exploitation of the known reserves in the Mackenzie delta. I have talked privately with the minister who said at that point he was leaving his options open and, although giving tacit support for the general overall concept, he did have some reservations and wanted the right to change his mind if there were more attractive alternatives.

In the light of the possibility of it being the best source of energy—an assured supply of natural gas at a reasonable rate—do you not think it is advisable to enter into negotiations with these companies, to get in on the ground floor, to invest some of our dollars in that—as has been suggested that possibly you might do with uranium and the amount of dollars committed by Ontario Hydro over a lengthy period of time with US Steel for an assured supply of low sulphur coal for its thermo-generating stations? Have you given any thought to hedging against inflation for the future by buying a piece of the action in the Mackenzie delta area?

I think it is quite obvious it is only a matter of time before you are going to be looking forward to that source of natural gas. It is just a question of timing and what other alternatives might present themselves in the short-term. I think it is quite obvious that in the long run you are going to have to go to that source, however expensive it might be and whatever the social consequences might be which must, of necessity, be resolved with the native people.

In that light there seems to be a move for governments to get involved in much the same way as the federal government has been involved with Panarctic in the far north. Don't you think it would be at least worthwhile exploring the possibilities of making a significant investment in that kind of undertaking so that in the distant future—maybe not too distant—you will be able to say, "As a result of decisions taken by the hon. Darcy McKeough in 1974 and 1975, we do have an assured supply of very vital energy. We were able to effect a good deal as a result of our foresight in getting some Ontario dollars in on the ground floor, which stood us in good stead for a steady supply of clean energy at reasonable rates"?

Hon. Mr. McKeough: The hon. member is right on.

Mr. MacDonald: He is trying to establish your place in history.

Hon. Mr. McKeough: The answer to your question is yes. There is a variety of ways in which it could be done; our thinking didn't just happen in 1974-1975, it goes back into 1973. There is a variety of ways. We are dealing with two problems. The short-term problem, over perhaps the next five years, in terms of Alberta, and obviously we are looking beyond that. Then we are looking perhaps a step beyond that in terms of our participation in Polar Gas. Any of these things might change at some point, but that would seem to be the sequence of events at this moment.

The answer to your question is yes. I think I've said—if I haven't, I'll say so now—we are giving more than a little consideration to an energy corporation, which might do some of these things. We will have to reach a decision reasonably quickly on how this might be done; one alternative is to use the Ontario utilities, which have more than a little interest in doing what the member has just described. TransCanada also has some interest. But that comes back to us since the Energy Board has asked for direction—and, frankly, I'm not disclosing anything—because the three Ontario utilities have included in their rate base applications roughly $2.2 million each at this moment, I think—it goes up, I guess, $100,000 a month—which is their share to date for their participation in Gas Arctic.

The board feels properly, I think, that it would like some policy direction from the government as to whether that participation in that pipeline or related ventures, perhaps including the prepayments for gas, for example—whether those things or part of them can be included in the rate base and how.

Regarding the amounts of money we are talking about—and we are talking about the pipeline—if the pipeline proceeds, I think the three Ontario utilities are or would be committed. This was at a $5-billion figure, and the cost has escalated to $7 billion, at this moment, I guess, or is getting close to $7 billion. They felt their share of the equity, as I recall, would be $50 million or $60 million each, which is not a small sum for our three utilities, which are not multi-

national oil companies. They are big companies, but they are not in the big leagues.

If we are to have Canadian ownership of the pipeline, which is a stated government of Canada policy, then I think their participation is very important, because those are three Canadian-owned companies. Beyond that, if they do that, then do they have anything left over to invest, as the member has said, or perhaps prepay or take over some options in the Arctic? I'm not sure that they do.

Even if we said yes to the rate base, I do not think that would be the end of it. I suspect we may well end up saying, "Look at the possibility of putting some of this in the rate base." And that doesn't scare me.

Today's natural gas user in Ontario is really paying very little for tomorrow's gas supply, compared with today's oil user. I don't know what the figure would be, but today's gasoline user is probably paying five cents a gallon to find the oil which may be used by his children or his grandchildren. It doesn't particularly scare me that today's gas user might pick up some of that cost in the rate base. The alternative is for us to do it directly, and I don't preclude that.

That's a long answer to your question, but I am simply saying that what the member is suggesting, we have very much in mind. How it is going to be worked out, I do not know.

Mr. MacDonald: If I may, I would like to pick up directly from what the hon. minister has stated, because I had some further points in mind in that connection.

Among his futuristic musings in the past, if I understood them correctly, I have noted some comments of the minister to the effect that Ontario might be interested in a pipeline from the eastern Arctic that would come close to Hudson Bay. In fact, in that connection, on one occasion he was even quoted in the press as lending some credence to the proposition that maybe the answer for bringing oil down was air tankers of massive proportions and things of that nature.

May I ask the minister, not only specifically with regard to that, if I am correct in stating that the future out-of-province supplies that the government is contemplating now are possibly the Athabasca tar sands, with our involvement, possibly the Mackenzie delta, possibly the eastern Arctic—and by entering into long-term contracts we have an assurance of coal supplies down in Pennsylvania for Hydro?

Does that wrap up the picture as it appears now? Did I get the minister correctly when he said that we are contemplating in Ontario supposedly our equivalent of—what do they call it, PetroCan, Petroleum Canada—at the national level?

Mr. Foulds: Oil-Can.

Mr. Stokes: Oil-Can.

Mr. MacDonald: Well, that would be the more appropriate one, but I think it is going by the name PetroCan, Petroleum Canada. Are we going to have a Petro-Ont., an energy corporation for Ontario to co-ordinate the involvement of Ontario government and/or the utilities in all of these out-of-province developments?

Hon. Mr. McKeough: I don't know the answer to that question, and I have probably said too much here. It is simply what is going through our mind and what we are looking at—and the simple answer to the member's question is that I don't know at this moment. We could use the vehicle of the Ontario Development Corp., for example, or I guess NODC might be more appropriate.

The Minister of Natural Resources (Mr. Bernier), as the member is aware, is talking about the possibility of a mining corporation. We might use that vehicle rather than a separate vehicle. We could certainly use the vehicle of Ontario Hydro itself. Those are possibilities and they are under consideration and I simply don't know where we may end up.

The member—let me pick something up of what he said, too—mentioned the tar sands, for example. That would be a little bit lower on my list of priorities, simply because we know nothing about oil. At some point, we have got to learn. Lord knows, we have learned a lot in the last six months.

Mr. E. Sargent (Grey-Bruce): Why then was the minister out in Calgary advising them to go into tar sands?

Hon. Mr. McKeough: Through the Energy Board's regulation of the utilities, and through our regulation of the utilities in Ontario, I think we know more about gas. And gas, of course, is nearly as important to Ontario, dollar-wise, usage-wise, as is oil; just about as important—unlike the other provinces. Gas is really a very small factor in the Province of Quebec; it has an oil economy. It is a big factor here.

For that reason, because we know a little bit more about it, I am frank to admit that

we have been exploring how we secure longer term gas supplies than we have oil, and that leads into the tar sands. We have no technology in Ontario or no great knowledge in Ontario. Alberta says we have the money, and I suppose that's a possibility. I don't preclude that, but I put that a little bit down lower at the present moment.

Mr. MacDonald: What about the eastern Arctic? Is that gas or oil, or both?

Hon. Mr. McKeough: Gas to begin with, and perhaps oil. Really, they have done as well there in finding it as they have in the delta to date. The other thing that should be mentioned on that list—and there are some other things, too—but the one I would specifically mention is western coal; and one might include that in that package. Again, it would be through Hydro, or again through a separate agency. The west is very anxious to sell us coal, but it's the chicken and egg thing, I think. In fairness, when Hydro went out to look for it, they had difficulty getting even the amount for the test burn this summer, which is only half a million tons. They went to two sources, BC and Alberta, and got a quarter of a million tons in each place.

If we went for western coal, if it became economic—and we are exploring the Shellpak pipeline, which originally was conceived for oil-coal; now the studies are heading in the direction of water-coal, a water-coal slurry. We have been working on unit trains for some time and particularly through MTC. There is the possibility of unit trains to the Lakehead; the building of port and unloading facilities there—I think in the neighbourhood of $50 or $60 million. These are not in sequence. I am just throwing things at the member.

Mr. Sargent: What about lignite?

Hon. Mr. McKeough: But when we go to look for coal in western Canada, it just isn't there. Somebody is going to have to spend a considerable amount of money. Alberta recognizes this, and I think BC does as well; BC is perhaps a bit ahead of Alberta. They are going to have to spend a lot of money and there is lead time involved in opening those mines because we are looking at an output of—the output the pipeline would probably depend on—well, the last figure I heard was that they were talking of something like 15 million tons a year to justify a pipeline for example.

Hydro in two or three years will be up to 13 million or 14 million tons of coal. The last purchase in the States was three million. We think, quite frankly, that we might trade that with something else. That's tying down three million tons and there are some other contracts which run out, but the 14 million or 15 million tons—and some of it may be used by the steel industry—doesn't scare anybody.

But it is chicken and egg to this extent, that Hydro, as the biggest single user in Ontario, is going to have to make a commitment before the mines open and start gearing up for that sort of thing; or the other way around, as Hydro would say, the mines have got to have the coal before we can make the commitment. The two things have to come together.

I don't think I would be betraying any confidence when I say that we discussed this with the Alberta Minister of Mines the last time we were in Alberta, two weeks ago yesterday—well, when I made the speech to the landmen's association—and he recognizes these problems. You are talking about small companies and small mines—something has got to bring them together—and he indicated that coal might be something which they would very logically bring under their marketing scheme.

Mr. MacDonald: Have you come to any conclusions on the northern Ontario lignite deposits?

Hon. Mr. McKeough: No, that study has been completed. The Minister of Natural Resources—I think it is at the printer's.

Mr. MacDonald: Hydro is enthusiastic, I take it?

Hon. Mr. McKeough: Hydro is enthusiastic, yes. I think we had better wait until the study comes in.

Mr. MacDonald: For burning directly or gasification?

Hon. Mr. McKeough: For burning directly to make—I have looked at that—

Mr. Stokes: On-site generation?

Hon. Mr. McKeough: Yes, for on-site generation, and—I will go this far—if you compare the cost of on-site generation there with other thermal plants, it compares favourably and it is viable.

If you compare it with a nuclear plant for peaking—for base load power, it isn't viable. That is something we have to sort out. We also have to put a price-tag, I think, on what

that kind of development means in the north in terms of regional development and attracting people. I don't think any of these things, frankly, make economic sense.

I don't think, with respect, the road to Moosonee which we have started on makes sense. I don't think the electrification of Moosonee by direct line power makes economic sense, but that is going to cost $4 million or $5 million before we are through. I don't think the extension of the railway six miles, or further, makes economic sense on its own. But if you put these things together and make a government commitment and investment, then sooner or later you start to generate something that does make economic sense.

Mr. Stokes: It becomes a vehicle, then.

Hon. Mr. McKeough: That's right, and I think we have to be reasonably gutsy in our approach to these things. My impression of how my colleagues feel is that we have such an approach. Whether we go ahead with the lignite or not, I don't know or how soon, but that report will be here, and I think the Minister of Natural Resources will have something to say about it at the time.

The member mentioned gasification. I asked to have a look at that—there isn't enough proven lignite to justify a plant. You need a lot more coal or lignite than anyone would presently say is at Onakowana. It would be expensive. I have forgotten the figure.

Mr. Sargent: It is working in Chicago. Tests down there now have indicated it's practical to use lignite.

Hon. Mr. McKeough: Gasification of coal is not a new technology. Germany fought a war pretty successfully, really, without petroleum and without natural gas; it came from coal. The technology is not new, it is simply a question of expense, but I am told by the utilities and from the rough studies we did that there isn't enough coal there to justify gasification at this moment.

Mr. MacDonald: Before I leave this topic, just a couple of brief items and nitty-gritty. Is Ralph Hedlin a member of the staff of your ministry?

Hon. Mr. McKeough: He consults to the ministry.

Mr. MacDonald: He consults with the ministry.

Hon. Mr. McKeough: He is not full-time.

Mr. MacDonald: He is on contract?

Hon. Mr. McKeough: Yes.

Mr. MacDonald: Am I correct that he also works full-time or part-time with the Canadian Arctic Gas Ltd.?

Hon. Mr. McKeough: To my knowledge he has done some work for them. But not full-time.

Mr. MacDonald: Not full-time?

Hon. Mr. McKeough: When he works for us he's certainly not full-time, no.

Mr. MacDonald: Well, I am rather curious about this kind of relationship. Is it true that he writes speeches for you?

Hon. Mr. McKeough: He does a great number of things for us, including writing speeches, yes.

Mr. MacDonald: Well, I just raise, as unprovocatively as I can with the minister, category 2—the Sunoco Building being category 1—the proposition of a consultant—you shake your head, but, by heavens, you are the guy who should recognize this, and I thought you had. I am just trying to see if I can't get you back onto the straight and narrow—a man who is a consultant or part-time on the staff of Canadian Arctic is also a consultant for the government and conceivably writing the minister's speeches. I wonder if he wrote the speech about the Mackenzie Valley gas supplies?

Also, in the same area of provocative nitty-gritty, is it true that William Kelly, that man little known to the Tory party, has formed a pipeline construction company and is in line for a construction subcontract from Arctic pipeline?

Hon. Mr. McKeough: Not to my knowledge.

Mr. MacDonald: Not to your knowledge? Well, you might like to check it out to find out whether there is anything in it.

Hon. Mr. McKeough: No, I have no interest in checking it out. You might like to check it out, but I am not going to.

Mr. MacDonald: Well, okay.

Hon. Mr. McKeough: Just to set the record straight as far as Mr. Hedlin is concerned, he had a discussion with the deputy minister some months ago. He may well have done some work for us before the discussion was held—I don't want to mislead the member that way—but he and the deputy had a

discussion, the deputy came to the conclusion that there was no conflict in the work which he was doing on a consulting basis for Gas Arctic; I think it was in the area of native rights, but I am not sure of that.

Mr. MacDonald: Well, I want to—

Hon. Mr. McKeough: Perhaps you will be satisfied there is no conflict.

Mr. MacDonald: On that basis you are satisfied?

Hon. Mr. McKeough: Yes.

Mr. MacDonald: Yes.

I want to raise briefly with the minister the whole kick that he and everybody was on a year or so ago with regard to conservation of energy, because I have the impression, perhaps falsely or inaccurately, that that was a fad of the day or the hour and it rather got lost in the shuffle. I was interested in looking through some of our clippings to discover a comment of the minister in Strathroy, pretty close to home, back in March 13, 1973, where he spoke of the painful programmes that the province was going to have to get into in terms of conserving energy, there was need for a vast public education programme. You will recall that when this was the fad of the hour, there were ads taken in the paper and, was it 48 points of energy conservation that were suggested for the guidance of the people of the Province of Ontario?

Where do we stand on this whole programme? Specifically, the most fatuous of all of the efforts in this connection, in my view, was the temporary entry of the Minister of Industry and Tourism where he sent out proposals to the industry across this province and suggested, for example, that each industry should set up an energy conservation committee within the plants to meet frequently and to investigate every energy usage and decide on ways and means of effecting reductions. How many of these energy conservation committees have been set up, what has happened to that multipoint programme that you spent public moneys on in advertising and where are you on your whole conservation kick now? Has it died?

Hon. Mr. McKeough: Oh, no, the member doesn't read my speeches. He would find that I spoke in Guelph—

Mr. Stokes: It is hard to keep up.

Hon. Mr. McKeough: —the other night to the agrologists and the theme was conservation. I spoke to the Ontario Motor League two weeks ago tomorrow; that was very definitely a conservation speech.

The member should recall the speech that I made to the Automotive Transport Association—which did not endear me to them—which dealt with conservation. They followed up very definitely on my thought that we should be working much harder on intermodal transfers, and that in some instances—from the point of view of energy conservation and from a number of other points of view too; environmentally generally—perhaps we might be putting less emphasis on truck transport than we should be on rail transport.

There have been a couple of other speeches which have arisen directly out of what we are thinking and doing in the ministry. It certainly isn't dead.

One of the first people we took on after the ministry was formed and the deputy was hired—he must have been the third or fourth person—was a chap named Kirk Brown, Dr. Kirk Brown, who works for ORF. He will be with us, I think, on a year's contract which may or may not be renewed; I simply don't know. He has been pursuing a number of conservation ideas with other ministries and within the ministry.

We have a draft report within the ministry, and we are still going over it, covering—well, I'll read some of the headings in it: The Need; Our Work with Other Ministries; With External Agencies; An Energy Conservation Model; Education—and that is going on; The Advertising Campaign—whether to pursue it again and I think we probably will; School Programmes; Colleges and Universities; Reduced End Consumption; there is a whole host of headings.

I can't put this in front of the House yet but I think we will be. We have been working with the Ontario Association of Architects, who have been in on several occasions; they have some ideas. I don't know whether it is them or someone else who would like us to fund some work and we have been giving some thought to that and, really, trying to encuorage OHC to fund something there.

Mr. MacDonald: What about the plant energy conservation committees?

Hon. Mr. McKeough: The plant energy conservation committees? A number of them have been set up. I am not as familiar with that as I should be and the member should ask the ministry concerned about that. The last thing that happened that I am aware of

—or is current and there were questions in the House—is the joint programme of Ontario Hydro, which Lord knows we supported and encouraged, and Industry and Tourism. It is a series of 12 half-day seminars with lunch, I remember that being mentioned here, at a cost of $5.

Mr. Foulds: Each or overall?

Mr. F. Laughren (Nickel Belt): Last of the big-time spenders.

Hon. Mr. McKeough: From what I hear, in terms of industry a number of industries are making serious attempts to look at their energy costs. Some of them have casually mentioned to us some savings they have already effected and, as the price goes up, they are going to be looking at this much more seriously.

Basically, I think what I should say is that the conservation programme is alive and well and kicking. I think it is also fair to say that when I wrote my report last June, I would have guessed we would have been somewhat further ahead with being able to put something in front of you.

Dr. Brown, I think, has worked not in splendid isolation from the ministry but from the minister; we haven't given it the attention that, frankly, I thought we would have. On the other hand, last June we really didn't think we would be quite as involved in oil wars and gas wars and a few other things which have developed. I don't think we are quite as far ahead as I thought we might have been but it is alive and well. If we enter a more calm period, whenever that may be—and I'm not sure when that may be—

Interjection by an hon. member.

Hon. Mr. McKeough: —but a somewhat more placid period, I think we will be very much back to devoting more time to conservation.

Mr. Stokes: As a natural follow-up to that, can I ask the minister if he has looked recently at literature put out by Ontario Hydro? I noticed they have kept a pretty low profile on it.

I can remember quite vividly when I was a member of the OMEA, being appointed chairman of a load-building committee, and they said "Sell more electricity. It is your responsibility as a local commissioner to get out and sell more electricity with the 'live better electrically' slogan" and all the other jargon we used to have fed to us. It was done so we could effect economies of scale so that if we were producing so many megawatts of power we were assured we were going to sell it all. Of course, if we effected the economies of scale, the unit cost of electric energy was going to be brought down.

As recently as a year ago, I had quite an argument because I was less than enthusiastic about my role in this programme. I mentioned it to officials at Ontario Hydro and they said, "It's still valid. We have to be somewhat cautious as to how we present it to the people, but the concept that you've got to sell all you can produce in order to bring power to the consumer at the lowest possible rate is still valid."

They have kept a low profile as a result of these inflationary costs that you speak of, but what have you said to Ontario Hydro about this? Have they convinced you that if you have the capacity for 100 megawatts of power that you must go out and sell to that limit in order to justify the expenditure and to make it a good viable operation? There's a good deal of ambivalence in what the minister says and what Ontario Hydro has been doing and saying for a good number of years. Have you had a chat with them about it? Have you been able to convince them that it is wise to conserve because it isn't a bottomless pit, regardless of how you generate energy?

It may be folly to convert one form of fuel into another form to make it usable, notwithstanding the environmental consequences. I think this is something that your Ministry of Energy has to take a good long look at. If you take a block of fuel and convert it into something else that in turn makes electric energy, you may be making use of about 40 per cent of the Btu potential. These are the kinds of things that you've got to get at and make sure that we are, in fact, conserving our energy resources. They are really not a renewable sort of thing unless you're going to start going back to square one and start burning wood all over again. I think this is something that the ministry, and the minister in particular, should take a good hard look at.

Hon. Mr. McKeough: Yes, we have. We've certainly discussed this matter from time to time with Ontario Hydro. I'm not sure that they are altogether convinced. I'm not sure that they've—

Mr. Stokes: I got that impression myself.

Hon. Mr. McKeough: —completely convinced me. But I think the important thing is, to answer the member's question, that the

advertising, the promotion of selling more and more electricity has certainly, at the Ontario Hydro level, disappeared completely—and I think in nearly all the utilities.

Mr. Stokes: But the philosophy has not disappeared.

Hon. Mr. McKeough: Some of the little brochures you've mentioned, you read them and you would think that energy conservation was Ontario Hydro's idea completely and that they didn't get it from anyplace else. No, I really shouldn't say that with Hydro people sitting here.

Mr. MacDonald: You are being provocative again.

Hon. Mr. McKeough: This is a matter which is, I know, of concern to the new board. I don't think it's going to be resolved overnight. If you're talking nuclear power, for example—unfortunately you're not just talking nuclear power, you're also talking thermal power, fossil fuel power—but if you were just talking nuclear power there's no question that you can run that plant full out 24 hours a day, 365 days a year and you're going to have cheaper power per unit than you would if the plant is shut down part of the time.

The only fallacy in that argument, I would have to say to my friends from Hydro, or ex-Hydro, is that the country goes broke building the nuclear plants to achieve that cheap nuclear energy. There's a cutoff point.

There are certainly arguments for the fact that because electrical energy has expanded at the rate that it has that we have achieved certainly, economies of scale and achieved, up until this morning at any rate, low-cost power. What Hydro are going to tell me is that the reason for the raise is that we're conserving energy so much, they're not selling as much any more and that's the reason they have to raise their rates. There is just a little bit of truth in that, too—a very little bit.

Mr. MacDonald: Mr. Chairman, I have one more item that I wanted to deal with, my fourth and final item, but if there are other people who want to deal with conservation and you want to tidy it up now, I am willing to yield the floor. I know my colleague here has a brief word.

Mr. Chairman: The member for Yorkview.

Mr. F. Young (Yorkview): On this matter of conservation, Mr. Chairman, we've been talking about the conservation of fuel and cutting down on various things here today. The temperature of this room would seem to indicate that we are conserving a bit of energy in the Province of Ontario.

Mr. R. F. Ruston (Essex-Kent): It is the air conditioning.

Mr. M. Gaunt (Huron-Bruce): Shut it off and we would swelter.

Mr. Young: If it's the air conditioning then, of course, that may be, I don't know. But in any case, Mr. Chairman, my question deals with getting more energy out of the sources we have.

Just to use an example, I'm not aware of any real research that has gone on for a great many years—that is, good research—into the matter of better oil burners for residential homes and apartments. The type that is now being used is a type that has been in use for quite a long time, and it may be that something is happening here.

Britain has done some research on the larger burners. How much has been done in Canada or by the oil companies, I don't know, because the oil companies themselves are not particularly interested in that kind of research. They are selling oil. And the more inefficient the burners may be, the more oil they can sell, if they have the oil to sell.

How long the supply of oil will last I don't know. We've had all kinds of figures, and I'm not going to go over them again. The Ontario Economic Review gave us a picture of how much oil, gas and coal the world has over the next period of time. Canada is one of the favoured nations, but not too highly favoured, and it would seem that except for coal, the next quarter century is going to see us completely out of that kind of energy.

But have we been doing any kind of real research, independent research, or have we been depending upon the oil companies to do the job? We can hardly expect them to do an efficient job in cutting down the amount of oil that they would sell and, at the same time, getting far more energy from that particular sale.

In the same way, from watching TV and reading bits and pieces of articles, I've learned in recent days that the motor car companies are now beginning to talk about research into getting more miles per gallon out of the gasoline we put into our tanks. Is this in effect going on? Is real study and real research going on in this field?

Then, to use one more illustration, insulation in our homes in the Province of

Ontario, across Canada, in a northern climate where lack of insulation means waste of fuel oil or energy in whatever form we use to heat those homes. Is the new National Building Code calling for sufficient insulation to do the job and will governments at that point insist on adequate insulation since we are told that properly insulated homes will mean much less energy consumed?

Home builders are not going to put the insulation in there unless it is demanded of them, because this is an area where competing home building firms can save money. They can put a cheaper product on the market and sell that cheaper product to greater advantage than the company that does a good job of insulation.

And even though, over the years, the advantage may be to the company with the insulation, as far as the consumer is concerned, the consumer who is comparing prices at that point perhaps is not too aware of the saving that might come over the years he occupies that home.

Have we this kind of research going on into the insulation of buildings? And is there a willingness on the part of government to set standards so that we do save energy in this field?

These are just a few illustrations of how this might be done. In other words, my emphasis is not so much on the other type of conservation we've been talking about as on getting far more results from the raw materials expended in terms of energy.

Hon. Mr. McKeough: Well, I think a great deal is going on. I haven't anything that I can put in front of the member formally, but the Department of Energy, Mines and Resources is doing some work. There is work being done at ORF—not by us, but for various companies. The equipment manufacturers themselves do work. Hydro is doing work, for example, in terms of the heat pump.

On insulation, we've signed letters just a couple of days ago. Representations are being made by Hydro and by us to the National Building Code people to upgrade the insulation standards. I think there is a great deal going on. The member says the oil companies aren't doing it. The fact is that they are doing a great deal of work but there is a great deal of work being done by others as well.

Whether enough is being done in terms of the generation of electricity is a debatable point. Of course, that's where the greatest energy loss is; something in the neighbourhood of 65 per cent is probably being lost. Nobody has come up with solutions to that yet. The one positive result will be the fish hatchery next to Lennox as a use. People suggest that a very logical place to put a generating station would be in the riding of the member for Essex South (Mr. Paterson), next to the greenhouse industry. I think that's something which should be looked at. There's an enormous waste heat, as we all know, from a generating station. Unfortunately, if you are talking about a greenhouse area, and if you are talking about the south end of Essex county, you are talking about a very built-up area. I am not sure whether you could interpose a 400- or 500-acre generating station in the middle of that.

Mr. Young: You would have the power.

Hon. Mr. McKeough: But you might have very cheap power for the greenhouse industry which bombards the member for Essex South and the Minister of Agriculture and Food (Mr. Stewart), among others, with its great concern over the cost of fuel, and properly so. I simply don't know whether those two things can be combined. I am reasonably satisfied that a great deal is being done in this area.

Mr. Chairman: The member for Sandwich-Riverside.

Mr. MacDonald: Sorry, Mr. Chairman, I had one more question I wanted to ask.

Mr. Chairman: I thought we would deal with the conservation matter before you continued.

Mr. F. A. Burr (Sandwich-Riverside): I have a question. Because the water carriers, that is boats and steamships, consume only 500 Btu energy per ton-mile and the railroads are around 750 and trucks up around 2,400 and aeroplanes are out of sight, is the minister using any kind of persuasion to help the reduction of the tolls on the Seaway or even the elimination and, from the point of view of conserving energy, making that kind of travel more competitive economically?

Hon. Mr. McKeough: I haven't, no, but government policy is well known in that area in terms of our support over the years for minimum tolls. I don't know if we have ever gone so far as to suggest the elimination of tolls on the Seaway, but certainly the government has been on record for a long time in terms of our support to the Seaway, not

necessarily as a money-making or debt-retiring instrument.

I think the suggestion the member has made is that perhaps the Minister of Transportation and Communications (Mr. Rhodes) or the Treasurer (Mr. White), who, I think, has usually taken the lead in that, should be examining that again in terms of implications for energy conservation. I think there's a much broader area in terms of railroad haulage.

Mr. Burr: But don't you think this gives you a reason, an added punch, to bring this up?

Hon. Mr. McKeough: Yes.

Mr. Burr: And will you do so?

Hon. Mr. McKeough: No, I won't. As I recall, the responsibility for the Seaway, as far as government policy has been concerned, has rested over the years with the Treasurer or the Minister of Transportation and Communications and we will draw it to their attention.

Mr. Burr: Thank you.

Mr. J. Riddell (Huron): Mr. Chairman, I just want to ask one thing on conservation of energy. I understand that an Ontario building code is presently being drafted. I am wondering if you have sent any recommendations over to—I believe it's the Ministry of Consumer and Commercial Relations—in connection with insulation and other standards that should be incorporated in this code?

Hon. Mr. McKeough: Yes.

Mr. Chairman: The hon. member for York South.

Mr. MacDonald: The final policy area I want to raise is a brief return to the minister's preoccupation with reprivatization. Let me make this clear. For the moment I am not going to pursue the argument as to the merits of reprivatization. The minister is persuaded of its validity; I have great and growing doubts. We will set that aside for the moment. I want to clarify certain aspects of the thing.

The minister's rationale for reprivatization, as I understand it from reading some of his speeches is that the whole role of Hydro in recent years—in the construction of dams, as one example—has provided a technology that was picked up by private industry. And private industry literally has been able to go around the world, building dams for other countries, whereas Hydro perhaps could not become involved in that kind of an enterprise outside of our own jurisdiction.

As I understand it, the same kind of an approach is now being considered with regard at least to heavy water and, if one reads the task force report in general terms, with regard to other areas of technology. One question I would like to put to the minister is, what other specific areas of technology are you considering?

Hon. Mr. McKeough: None at the moment, other than heavy water.

Mr. MacDonald: None, other than heavy water. Well, my concern about this is that if we are handing over technology that has been developed at the expense of the public—and I hope in handing it over we are going to get some equitable return to the public treasury for that—but if we are handing it over, then it seems to me that private industry, in the use, development and application of that technology, inevitably is going to start to rob Hydro of key personnel who have been involved in the development and application of that technology. It seems to me just inevitable.

I don't know what the average engineer's salary is in Hydro, but I can bet my bottom dollar that if some big company wants to get an engineer and it costs $10,000 or $15,000 extra to peel that engineer off from Hydro and get him to that company so that they can pursue their entrepreneurial ways, that is dead likely to take place.

It seems to me that in the process we are going to start to dismantle the comprehensive nature of this public utility of which we have traditionally been so proud. Does the minister not really believe that there is some danger in that kind of development and if so, how is he going to correct it?

Another point in that connection, if I may put two or three of them to the minister: In the course of his press conference, when he unveiled the policy for make-or-buy, he conceded to the press conference that in the short run, energy costs would likely be higher. Then he expressed what I would deem to be a rather dubious hope, that ultimately they may be less.

It seems to me that if we hand this technology over and private enterprise, which everybody concedes is in there for a profit, is going to be involved, you are going to have a cost which is at least cost plus the profit. I just fail to understand how the minister feels that he is going to maintain the traditional power-at-cost principle of Hydro if he pursues that kind of thing.

I was rather interested, in reading through one of CUPE's briefs, to note a quote from Merrill Dennison's book on "The People's Power," a well-known history of Ontario Hydro. It reads as follows:

> No sooner had the new Conservative government taken office than Whitney proceeded to make an immediate down payment on his promises. Repeating a campaign statement that the "water power of Niagara should be as free as the air" [that was a rather grandiose and generous statement; the Tories sometimes get a little flamboyant] he added, "and more than that, I say on behalf of the government that the water power all over the country should not in the future be made the sport and prey of capitalists and should not be treated as anything else but a valuable asset of the people of Ontario, whose trustees this government of the people are."

Mr. Stokes: Try and tell the people around Lake Nipigon that.

Mr. MacDonald: Okay. That was the narrow concept of water power, that it was going to be a resource owned, preserved and held in trust for the people.

It seems to me that the whole technology of Hydro is in the same category today. I just can't be persuaded by the minister's rather easy acceptance and vigorous pursuit of the reprivatization theme, that he is not only going to be dismantling Hydro but he is going to end up by something more than power at cost, the traditional principle on which it has been built and operated.

Hon. Mr. McKeough: Mr. Chairman, let's face it, there are philosophical differences between the hon. member and myself.

Mr. MacDonald: I said I am not interested in the philosophy. I am interested in these realities that will flow from the implementation of your philosophy.

Hon. Mr. McKeough: The member has said, and I am not being provocative, that he believes that costs plus a profit will always equal a higher price.

Mr. Stokes: Well, Moores and I are on the same wavelength.

Mr. Chairman: Order.

Hon. Mr. McKeough: I have to say to the member that we on this side of the House, in this party, and I think members of the Liberal Party, start from the premise that costs in the private sector plus a profit may well be cheaper, and probably is cheaper, than a socialized or nationalized industry.

Mr. Stokes: That is not what Moores told Brinco.

Hon. Mr. McKeough: The member doesn't agree with that. I just say to him calmly that is a philosophical difference which we have.

Mr. MacDonald: The minister is repudiating Beck, Whitney et al.

Hon. Mr. McKeough: I just say there is a fundamental philosophical difference and leave it at that.

The other point that the member made was do I worry about industry raiding Hydro. No, I don't. I suppose there might be a point where one would be worried about that. Hydro salaries, by the way, I think are excellent. I have heard industry say at the engineering level they are not competitive with Hydro, although I think some Hydro people would dispute that. You could argue that point.

I wouldn't be worried though, if there was more interchange frankly between Hydro and the private sector. Some might describe that as some fresh air. I wouldn't want to go that far. I wouldn't worry if there was a little bit more interchange between Ontario Hydro and the private sector.

Mr. Stokes: You have alienated the OMEA, and now you are trying to alienate Ontario Hydro.

Hon. Mr. McKeough: I don't think that a little mixing up would be a bad idea.

Mr. Sargent: Both ways.

Hon. Mr. McKeough: Both ways.

Mr. Chairman: The member for Windsor-Walkerville.

Mr. B. Newman (Windsor-Walkerville): Mr. Chairman, I wanted to bring to the attention of the minister something that has already been brought to his attention by one of the previous speakers, but I don't think a reply from the minister has been forthcoming. That was the resolution originally passed by the utilities in the town of Oakville concerning Hydro, its representation on the new corporation and the selling of shares in the new corporation. I'm fairly certain that the member from the area has let the minister know of the Oakville Public Utilities Commission's concern, and the resolution they passed.

I bring this to the attention of the minister because my own utilities commission likewise endorsed the resolution. I would like to read it into the record so that we could get a reply from the minister. By the way, to my understanding this was passed by the Ontario Municipal Electrical Association. The resolution reads as follows:

> Be it resolved that the Ontario government be asked to issue common voting stock certificates in the new Ontario Hydro Corp. to each participating municipal electrical public utility in proportion to the total equity which each such utility holds in Hydro; and that the board of directors of the Ontario Hydro Corp. be elected by the shareholders; and that, as an alternative to the issuance of common voting stock certificates in the Ontario Hydro Corp. the Ontario government be required to pay in cash to each municipal electrical public utility the recorded value of its equity in Ontario Hydro subject to interest at the prime interest rate until final payment has been made.

The concern, I understand, Mr. Chairman, has been expressed by not only the utilities commission of Oakville where the resolution originated, but the commission of the city of Windsor and, I would assume, by many other commissions, including the Ontario Municipal Electrical Association. May we have a reply from the minister concerning the resolutions?

Hon. Mr. McKeough: Mr. Chairman, yes, certainly. I dealt with the position of the government in two speeches—at the OMEA annual meeting itself, and the other night at a speech to the AMEU in Oshawa. I won't, therefore, deal with this at length.

I don't know that the resolution originated in Oakville. As far as I know, the resolution originated at the OMEA annual meeting. But it doesn't matter in any case. The OMEA, to my knowledge, has not formally sent that resolution forward—whether it wants to consider it I can't say; I honestly don't know what its procedures are—nor to my knowledge has it sent it to the Premier, but we have received it from—I am guessing at this moment—perhaps 10 utilities commissions in the province and we are answering them essentially in the same way.

Perhaps if I deal with the latter part of the subject first, the question of share certificates. Task Force Hydro said perhaps a piece of paper should be issued if that would make people happy; they didn't say a share certificate, they said a piece of paper. That, as far as I know, is still before the Ontario Hydro board and if they choose to do so I suppose they will recommend it to the government. There is no intention of paying a dividend, though, regardless of the number of shares.

The underlying point in that resolution of course is the representation of the OMEA on the board of 13. We just don't agree. As a government we don't agree. As I recall, I think Task Force Hydro recommended two nominated by the OMEA out of 11, something like that. That is roughly what we followed. We feel, without being critical of Hydro in any way, Hydro has done a great job over the years. Under the commission structure—and perhaps this is one of the reasons they have done such a good job—they have stuck to the principle that power was to be provided at cost. That was their job and they got on with it.

Power cost implies a whole host of things. For example, in a narrow definition it implies that if you are going to build a transmission line from A to B the shortest distance is the lowest possible cost. Today I think most of us would concede—certainly the government feels this way—that that isn't necessarily where the transmission line is going to be. It may have to detour to C to get from A to B, and that will not be power at the lowest possible cost as far as the power users are concerned. But there are other costs, environmental costs, social costs, agricultural costs, that must be taken into consideration which the power users may well pay and which may well jack up their costs of electrical energy.

Now, if that is to be the philosophy of the Hydro corporation, that there is more to life and to Ontario Hydro than simply power at cost, then the directors of the corporation must represent not just, if I can use the term, "the Hydro family", and that, I think, is what the commission tended to represent over the years. And I am not being critical of any one person when I say this, the chairman and the vice-chairman of the old commission came from the government and the other commissioners came from the utilities and it was a nice happy Hydro family. I think in our view and in the view of Task Force Hydro, and the government accepted that, that something different was needed and that the directors should represent the broad aspirations of the people of the province. It certainly must be a competent board, but it has to be somewhat representative not just of the Hydro point of view but of a much wider point of view.

So on the Hydro board of 13 which has been completed now we have presently what I would call five in-house people: the vice-chairman—who wouldn't concede that he is in-house but he will be in-house very quickly. He will be swallowed up down there no matter how strong he is—the former vice-chairman—he isn't swallowed up but he does represent a governmental point of view—the two OMEA directors, who represent a utility point of view but an in-house point of view, and the president.

Mr. Sargent: Why can't he speak to the House then?

Hon. Mr. McKeough: That adds up to five in-house people. With that, we have—

Mr. Stokes: The only thing wrong with it is it is from a geographic point of view.

Hon. Mr. McKeough: —a banker, we have an environmentalist, we have a very prominent person from the trade union movement, we have a woman who happens to be a business person, we have a radio and television owner, we have two people from northern Ontario, we have a person from eastern Ontario and people from southern Ontario—

Mr. Stokes: Who are the two people from northern Ontario?

Hon. Mr. McKeough: Who are the two people? Mr. D. G. Hugill from Sault Ste. Marie and Mr. J. C. Lavigne from Timmins. Most of us would consider that Timmins and Sault Ste. Marie are in northern Ontario. I would concede that there presently is not representation from that great part of Ontario, northwestern Ontario. But there are two from the north. I have missed a couple, I think, in listing all who were on the board.

I appreciate the concern of the OMEA. They are a dedicated group. They are committed to a certain principle, but I think that if Hydro is to be responsive to the needs and the aspirations of the people of Ontario, that the board of directors must represent a much broader point of view than simply the narrow principle of power cost, period. And that's what we have attempted to achieve. The appointment of the board, of course, is the appointment of the cabinet, not mine—but I am very pleased with the composition of the board.

Mr. B. Newman: Thank you, Mr. Minister. Mr. Chairman, I simply wanted to ask the hon. minister if the composition of the board includes anyone from the environmental field, also, anyone from the consumer field.

An hon. member: They are all consumers.

Hon. Mr. McKeough: Well, they are all consumers.

Mr. B. Newman: The minister knows what I refer to by consumer, though.

Hon. Mr. McKeough: From a consumer association?

Mr. B. Newman: Yes.

Hon. Mr. McKeough: No, it does not include anyone from a consumer association presently. Yes, to the member's other question, from an environmental group per se. Yes, the chairman of the Sierra Club; I don't know whether he is still the chairman, but he was.

Mr. Chairman: The former chairman. Is the member finished?

Mr. B. Newman: Yes, I am.

Mr. Chairman: The hon. member for Grey-Bruce, then.

Mr. Sargent: He is on this point, Mr. Chairman. I am not going to speak on this.

Mr. Chairman: Oh, all right.

Mr. E. R. Good (Waterloo North): On a related point, Mr. Chairman, dealing with the utilities commission.

I know this is probably government policy coming from TEIGA, but could the minister inform the House when he is going to get the jurisdictional problems of the utilities straightened out as relating to regional government? It is creating a real hardship. People have been taken in to new municipalities and are still paying rural hydro rates. There is no problem as far as the municipalities are concerned. They are ready to take them. People would like to be switched over. They are still paying rural hydro rates because the regional government bill says that they have to get their hydro from the same authority they did before until the Treasurer (Mr. White) decrees a certain date.

Now we have gone on—what?—15 months in Waterloo. We still haven't got this problem straightened out. Surely the government is not going to try to fit every regional government into the same slot, and wait until it can find a slot that fits everybody. I think it should be dealt with on a regional basis, according to the wishes of the present utilities

commissions and councils in those areas. How far are we away from a solution to that problem?

Hon. Mr. McKeough: The member is quite correct in what he has said. He knows the committee was formed to look at this problem generally. The Hogg committee was appointed last September, I think, and reported in January or February of this year. It consisted of two representatives from the OMEA and the AMEU, representatives from the provincial-municipal liaison committee, from Treasury, from Hydro—I guess that was it—and Mr. William Hogg of the Soo, a northerner, to chair the committee. He did a very excellent job, indeed.

Despite some very different points of view of the various groups mentioned, they came up with a unanimous report. That report has been released to everybody who wants it: The utilities, Hydro, government departments, the unions—both the Hydro union and the local unions—employee organizations.

We have asked for responses. I think we set a date of April 1 to begin with, which perhaps was a little short, but it didn't matter. We have heard from the OMEA, from the AMEU, from a number of utilities; we heard from the Hydro union, I guess, today. I think really all we are missing are the views of the provincial-municipal liaison committee, and I meet with them a week from tomorrow.

Most of the briefs are generally supportive of the recommendations; there are some differences of opinion, obviously. I think I can say that I am generally in agreement with the report of the committee. There are a couple of things; one in particular, which isn't that important. We think that it's Hydro's job to get on with this, rather than, as suggested in the report, that the Minister of Energy get on with it. I am not wedded to that position; we haven't made up our minds yet.

But I would hope that after we have met with the provincial-municipal liaison committee—Hydro board, by the way, have made their views known. I would hope probably in the next month we will be getting on with it. And then hopefully—now, whether there will be a chance to legislate anything before the House rises for the summer, or whether we will be legislating in the fall, I suspect it will be in the fall.

Mr. Good: Is the major recommendation a one-tiered regional commission with councils and elected utility commissioners on it? Apart from councils?

Hon. Mr. McKeough: No. There are options, but their suggestion is that where a new area is formed that it not be a committee of council or the regional council—that the first one be appointed by the regional council, perhaps by the Lieutenant Governor in council, I've just forgotten that. And then at the end of two years or whenever the end of the term, that the council then make the decision whether they want the hydro commission to be elected or appointed. What was followed in Thunder Bay, actually, which worked rather well.

Mr. Good: Who makes that decision?

Hon. Mr. McKeough: The regional council—

Mr. Good: The regional council?

Hon. Mr. McKeough: —makes the decision at that time, as they did at Thunder Bay. Well, it was the city council in Thunder Bay, and they chose to have an elected commission and that's what happened.

Now, there is some disagreement that is coming in on that particular point, but that's what Hogg recommended—

Mr. Sargent: Mr. Chairman?

Hon. Mr. McKeough: —the Hogg committee, at the moment.

Mr. Chairman: The hon. member for Grey-Bruce

Mr. Sargent: Mr. Chairman, I have a number of questions on the first two votes here. I understand you're taking the first two votes together.

Mr. Minister, who are the three fellows in front of you there and what are their names and positions and the salaries they're being paid?

Hon. Mr. McKeough: Mr. Cunningham is —I don't know their titles—is the administrative officer in the Ministry of Energy. I don't know what he's being paid.

Mr. Smith is the director of—

Mr. Sargent: Hold on. I'm asking a question and I want to know the answer.

Hon. Mr. McKeough: I will get that information as I don't know what they're being paid.

Mr. Sargent: Okay.

Hon. Mr. McKeough. Mr. James Smith is the executive co-ordinator of policy in the Ministry of Energy; and Mr. William Mor-

rison is the assistant director, generation projects, Ontario Hydro.

Mr. Sargent: Thank you. Can you tell me what they're being paid?

Hon. Mr. McKeough: No.

Mr. Sargent: Will you ask them and tell me now, then?

Hon. Mr. McKeough: No. I will supply the information to the hon. member if he puts it on the order paper. I can't with respect to Ontario Hydro, no. But with respect to the other two, yes.

Mr. Sargent: Well, everyone knows what I make in this place I'm holding down here, and I know of no reason why I can't know what they're making. This is public business and we should know.

Well, leaving that now, I want to ask you a few things. I have a letter here which you received, I think; a registered letter from a legal firm here in Toronto. And it goes on—this is from a staunch Tory legal firm and they are fed up with the amount of money being paid Mr. Macaulay. They are fed up with the "public be damned" attitude of this minister and Hydro; that arrogance and greed are contrary to basic Christian tenets; that there should be sufficient legal talent in the civil service instead of handing out political plums. And our statistics show that the vast majority of practising lawyers disapprove of political patronage of this nature.

So, they have written to me, to the Law Society of Upper Canada, and to the minister. Although they are Conservative supporters in Ontario they do not preclude the concerned citizen from speaking up. Now they're asking the Law Society to tax the account of Mr. Macaulay in this matter. They want to get across the fact that the vast majority of practising lawyers do not gouge the public, nor do they approve of political patronage. They say we are reminded in the canons of ethics that the practice of law is a branch of the administration of justice and not a mere money-making profession. You have a copy of this and I would ask you now to tell me, if you can, who made this deal for Mr. Macaulay? If it is true it's $75 per hour. And who passes on his bills?

Hon. Mr. McKeough: I just received that letter this morning, as a matter of fact, and I brought it with me to read, and I haven't read it, I've just glanced at it. It's dated April 29, but it didn't arrive in the ministry until May 1 and I didn't see it until today, so I haven't considered it.

But I will say there is no question in my mind that Mr. Macaulay is worth every penny that he is being paid. If the member doesn't agree, I happen to think that he is, and that is the opinion of a number of people. I made a speech about this over a week ago in Oshawa. I am very well satisfied with the performance and the service which Mr. Macaulay is rendering both to the Ontario Energy Board and to the Ministry of Energy. He is presently not doing anything for the Ministry of Energy, but I suspect he will in one of the hearings that will come up.

I should also say that Mr. Macaulay represented Ontario Hydro in certain constitutional litigation before the Alberta board last summer, and I think did an excellent job for the Province of Ontario and for the power-users of this province.

I don't think, from my knowledge, that $75 an hour—I have been told of a number of lawyers who charge more than $75 an hour. From my knowledge of what legal firms charge—it isn't just Mr. Macaulay, it is his firm—I don't think that is unreasonable. However, specifically, when it became apparent to me last spring that the then parliamentary assistant would need legal counsel, and when the Ontario Energy Board would need outside counsel from time to time, we went to the Attorney General (Mr. Bales) and asked for names. That was the name that was suggested and it was certainly agreeable to me. The fee of $75 an hour was settled between the Attorney General and the particular lawyer involved, as are the fees of all outside consultants or lawyers. We don't get involved as a ministry, nor does the board, in determining whether the fee is too high or too low or anything else.

As far as paying the bill is concerned, we would certify it in our ministry as work which was done for the Ministry of Energy. The chairman of the board or his administrative officer would certify the bill that the work had been performed as far as the Ontario Energy Board is concerned.

Mr. Sargent: I don't think anyone downgrades the ability of Mr. Macaulay; I have the greatest respect for his abilities as a lawyer. But, may I ask the minister—you are the one who hired Macaulay, is that right?

Hon. Mr. McKeough: No.

Mr. Sargent: When you took over the portfolio, it was one of the first things you did, I understand.

Hon. Mr. McKeough: I went to the Attorney General and asked for names. That was one of the names that was suggested to me as counsel which would be available, and that is how Mr. Macaulay came.

Mr. Sargent: So you think he is worth $1,000 a day?

Hon. Mr. McKeough: How much?

Mr. Sargent: One thousand dollars a day.

Hon. Mr. McKeough: Yes, his bill has run up to that, yes.

Mr. Sargent: It is $170,000 since Nov. 1.

Hon. Mr. McKeough: No, that also includes consultants which he has paid. I have indicated to the member, but he chooses to disregard it, that we do not pay this money to Mr. Macaulay; we pay it to Thomson Rogers. We have had Mr. Macaulay at times, we have had Mr. Rogers at times, we have had juniors at times. But in that Mr. Macaulay is paid at the rate of $75 an hour, and often, as I understand it, the bill comes to $1,000 for the day. In terms of what other lawyers charge, I would say that we are getting every penny of our money's worth.

Mr. Sargent: In other words, if he wanted to read "Gone with the Wind" on the weekend, he could make himself $3,000 in 40 hours. As a third party, as a taxpayer, I have the power to go to the taxing master at Osgoode Hall and demand the taxing of this. But, before this happens, do you plan to review the bill or are you going to pay it?

Hon. Mr. McKeough: The bill is being paid as it comes in, assuming that it is satisfactory to the official in the Energy Board who approves his bill, and assuming it is satisfactory to the person in our department, the bill is then passed through for payment.

Mr. Sargent: Do you know if he is in on consulting for the Pickering airport deal, too? Is he a consultant for them, too?

Hon. Mr. McKeough: I have no idea.

Mr. Sargent: Would you be surprised if he was? Could he do both jobs?

Hon. Mr. McKeough: Yes. He was also involved in—

Mr. Sargent: So he could have been making $2,000 a day?

Hon. Mr. McKeough: He was also involved in litigation before the Ontario Municipal Board—I remember reading this in the press—for, I think, two or three weeks in Yarmouth township or St. Thomas. I don't know who he was acting for. I assume he is carrying on other work in his legal practice from time to time. I doubt very much if during the time of the Hydro hearings he did anything else but work for Ontario Hydro, but he may well have made a phone call and charged somebody for that phone call. Certainly from my knowledge and from what the chairman of the board and Ontario Hydro tell me he was putting in 12 and 14-hour days during the time of the preparation for the phases 1 and 2 of the Hydro hearings. I imagine that with phase 3 of the Hydro hearings—

Mr. Sargent: He could be getting $20,000.

Hon. Mr. McKeough: —beginning on June 16—or June 10—he will be devoting all or nearly all his time getting ready for those hearings.

Mr. Sargent: All I can say in this regard is I'd put in 20 hours a day if I was making that kind of money. You think that it is impudent to question his bill?

I'd like to ask you your policy on tendering. You stated the other night on television that Ontario Hydro is spending $200 million a year with—is it Parsons?—for generators for Hydro.

Hon. Mr. McKeough: For turbines?

Mr. Sargent: Pardon?

Hon. Mr. McKeough: For turbines?

Mr. Sargent: Yes. Some $200 million a year for this one firm?

Hon. Mr. McKeough: No. I don't think the total figure would be that high.

Mr. Sargent: That's what you said on television. I have your transcript here.

Hon. Mr. McKeough: I don't think it would be that high. We would spend—

Mr. Sargent: You said something like $200 million a year.

Hon. Mr. McKeough: I doubt if it would be that high and in any case it would depend on the year. It has been roughly split for the last four or five years—it might not in any given year—between Parsons and General Electric.

Mr. Sargent: I see. I was on the PUC in Owen Sound when Bob Saunders was the

chairman and we had the conversion across Ontario. At that time, it worked out there had been price-fixing going on rampantly by GE and Westinghouse. If we ever boiled it down and analysed it, they owe the taxpayers of Ontario hundreds of millions of dollars. I am advised by people on the inside that your tendering policies on these multi-billion-dollar contracts for nuclear power leave a lot to be desired. How firm is your policy on tendering for these multi-million-dollar and billion-dollar deals? Are you on the same deal as you had with Moog for the building? Is it one of these same deals—a no-tender deal? How are you doing it?

Hon. Mr. McKeough: The turbo generators, if that's what you are talking about—

Mr. Sargent: I'm talking about your general policy on tendering for nuclear power.

Hon. Mr. McKeough: If you are referring to turbo generators specifically, it is not the policy of Ontario Hydro to tender—I would support this policy and have said so. They negotiate the prices of turbo generators and because they have done so with two Canadian-located firms, I think they have substantially built up a Canadian industry in Scarborough and Peterborough which is doing very well. It is competing in the world and is providing Canadians with jobs. There is no question in my mind that had it gone out to public tender those two facilities, or the facilities in Scarborough and in Peterborough, would not be here today. We would be buying generators from either Europe or the United States.

Mr. Sargent: We have the current situation with regard to policy here—with regard to Imperial Oil in Canada and the alleged energy crisis here. In the United States the Federal Trade Commission has banned Mobil Oil from doing any television promotion based on the energy crisis. I think back a bit about the fact that I mentioned in the House that I had talked to the vice-president of Texaco, who told me there was no oil shortage. In your speech on television the other night you said, "The company charged what the market would bear for gasoline." I am getting to the point that Imperial Oil tells us nightly in the televised hockey matches that it is spending $400 million on research, on finding out about the tar sands and all these things. When this is illegal on television in the United States, what is your policy as Minister of Energy? Are you going to allow them to flaunt an alleged energy crisis to sell their products when they are spending $400 million, not of their money, but tax depletion allowance money that belongs to the people, which they have given oil companies to use for exploration?

It is a compounded thing. They are using the money to flim-flam the public into believing there is an energy crisis. Are you going to allow them to flim-flam the people, regardless of the fact that we know there was no oil shortage? In your job as Minister of Energy are you going to do anything about fixing prices on the price of gasoline? Are you going to have a rollback in prices on this one commodity?

Hon. Mr. McKeough: We discussed some of this the other day, Mr. Chairman, I think even during the time you were in the chair. But I have no authority obviously, nor does this government have any authority, over the advertising of oil companies in this country. I suppose if it is on television that the CRTC might exercise some controls, but with newspapers, I suppose that would be the newspapers themselves. I have not seen any advertising in Canadian publications that I would find offensive or particularly wrong. I think the supplements by Imperial Oil, who have four pages of colour supplements that appeared in Time magazine, Maclean's and several other places, were very well done. I think that Imperial Oil has every right to put forward their side of the story, and that is what they are doing, and spending advertising dollars to do it. I have no authority to stop them in any case. I don't know that anybody does. I have been reading those stories. I don't particularly find anything that offends me.

Mr. Sargent: Then please answer my second question about the fixing of gasoline prices or a rollback on prices.

Hon. Mr. McKeough: We have no evidence that there has been any price fixing. If there were, the Minister of Consumer and Commercial Relations (Mr. Clement), in particular, would certainly refer it to the combines investigation branch, but to my knowledge he has not done so nor do I see any evidence that price fixing is going on. As I explained the other day, we don't have legislation similar to Nova Scotia in this province. It is an option which we are giving some thought to.

Mr. Sargent: If you think it is important enough to the Ontario people, and thought it was important enough about 68 years ago to set up a public utility called Ontario Hydro for this great source of energy and you note

the talk by the federal government about a national oil policy, can you tell me why it wouldn't be a good idea for Ontario to go into the oil business to protect the taxpayers?

Hon. Mr. McKeough: To go into the oil business from start to finish? You are talking, basically, about billions of dollars. I am not sure that it would achieve the desired end.

The federal government apparently is going to bring in legislation for a national petroleum company. Nobody really seems to know what that legislation will contain or how far into the whole process they are going to go. We are talking about—there has been some dispute about this—we are talking about, in my view, a highly competitive industry, perhaps making too much money now, but a highly competitive industry. And if there is a sufficient degree of competition I'm not particularly interested in seeing the government get in as a competitor.

I think for Ontario to start an oil company it would take 10 or 15 years to build up any kind of expertise and, in the meantime I think we would have lost our shirt five or 10 times over. I don't preclude it completely but it is not something we have under discussion at the moment.

Mr. Sargent: All right then, if you are afraid to get into that, how do you justify getting into the business of searching the world for buyers of uranium for the Candu system, to find a market for uranium? How many Candu systems have been sold to date?

Hon. Mr. McKeough: Outside of the country they have been sold in Argentina, Korea; in Mexico I gather we are getting reasonably close. I think those are the firm sales. We are not searching the world, that is fundamentally the responsibility at this moment of AECL. But we've certainly been co-operating with them and I think this is one of the more exciting things that this country can do, quite frankly.

Mr. Sargent: Did you say you sold one in South America?

Hon. Mr. McKeough: Yes, in Argentina.

Mr. Sargent: You loaned them the money to buy it, did you?

Hon. Mr. McKeough: The government of Canada did.

Mr. Sargent: How much, $800 million?

Hon. Mr. McKeough: No, it wasn't that much. As I recall it was $200 million. I'm not sure.

Mr. Sargent: It is a pretty tough deal when you say, "Here, buy our system, we'll give you the money to buy it."

Hon. Mr. McKeough: What we are doing is dealing with the Americans through the Export-Import Bank, and that's the whole area of concessional financing. I don't agree with it, but that's the way these things are being sold.

Mr. Sargent: So you are talking about getting British partners to go into a third market together. Would you explain that please?

Hon. Mr. McKeough: Well, the British have technology, we have technology, together the technology and the engineering capability I think would be greater. And if we get away from concessional financing, particularly, London is still the money market of the world.

We have a very good capital market in this country, but the British one is better, there is no question about that, and if we get off this kick of concessional financing, which I would hope we would, then the British financial expertise, borrowing power, would be a very useful adjunct to the sale of Candu abroad.

Mr. Sargent: You say that the federal government is holding up two large sales of uranium with you, what is that?

Hon. Mr. McKeough: I didn't say holding up, I said they haven't approved as yet, to my knowledge.

Mr. Sargent: And you say further, let's not just sell uranium, let's get that enrichment plant going and sell enriched uranium.

Hon. Mr. McKeough: Right on.

Mr. Sargent: Yes. How much money are we talking about there?

Hon. Mr. McKeough: For a uranium enrichment plant? I think roughly, in round figures, $1 billion, probably more by now.

Mr. Sargent: What you are talking about makes economic sense.

Hon. Mr. McKeough: It certainly does as far as I'm concerned. Rather than ship out of this country raw materials, uranium, if we are going to sell this uranium let's sell it in an enriched form and provide jobs for Canadians and upgrade a Canadian resource.

Mr. Sargent: How many markets in the world do you have for uranium now?

Hon. Mr. McKeough: How many markets? Oh, the whole world.

Mr. Sargent: Who are you selling to?

Hon. Mr. McKeough: Uranium, today? We are not selling it to anybody. It is being sold by the private sector, either from the stockpile owned by the federal government, Eldorado, or being sold by Denison or Rio Algom. But it has been sold, specifically in the last little while, to the United Kingdom and Japan by those two companies.

Mr. Sargent: You are asking the taxpayers to finance an enrichment plant?

Hon. Mr. McKeough: We are not asking the taxpayers to finance that $1 billion, no, not at all—although it might make a great deal of sense for the taxpayers to finance that plan. I don't preclude that possibility.

It may be that the government of Quebec will see fit to help finance that enrichment plant, but I say to you very frankly that this government, we on this side of the House, do not believe in exporting something from this country in the raw form when there's a reasonable opportunity of upgrading it and putting a value-added on it. I think the value-added on enriched uranium is two or three times, something like that. It's not likely to be something which will happen here in Ontario.

Mr. Sargent: The minister never ceases to amaze me. All of a sudden he is the world's greatest authority on nuclear power and the answer to all the oil troubles of the world and he goes right down the pike when he gets alarmed and says, "Yes, we do have a great oil shortage." He was speaking in Calgary and telling them they should get into the ball game and into the tar sands immediately. Syncrude in New York say it will cost close to $1 billion more and at least three years or more to start one single tar sands plant.

In all your speeches you keep on talking about that is the end, that's for the next generation, that's where the end is going to be and, until they come on, that is the answer for the oil problems. I would like to say that I think you are compounding the problems. You are in the ball game with the oil companies because it's the biggest ball game in the world.

We have here the auto pact—going back into the big ball game which we are faced with in energy in this country. It's big business between the auto companies and the politicians and the oil companies. It says here:

> The auto pact [going back federally] is the most important insurance the Americans have to protect them from any attempt to disrupt their ownership of the Canadian petroleum industry or any move to prevent the development of Canadian oil and gas in line with continental demand.

I am just so concerned that you are in bed with the big interests and the taxpayers are going to take a licking. You said the other night that—I know your involvement, sir, with Union Gas in the Chatham area. I know your close affiliation with this industry.

Mr. D. W. Ewen (Wentworth North): Never fear when Darcy is here.

Mr. Sargent: You say that natural gas, now at 26 cents per 1,000 cu ft, will be going up to 60 cents per 1,000 cu ft or will cost the consumer in Ontario about $50 to $60 per year more. Tell me why, when we have given these people monopoly control of this energy form here, you can't fix the prices and fix their profits for the people of Ontario? Will you tell me that, please?

Hon. Mr. McKeough: Profits very definitely are fixed by the Ontario Energy Board; their rate of return is fixed and that's what the rate hearings are all about. The member should know that Union Gas, Consumers' Gas, Northern and Central Gas or Gaz Metropolitain have no control over the price of gas which is set in the Province of Alberta. It wasn't set directly by the Province of Alberta but was certainly influenced by the Alberta legislation. The fact is the price of gas at the wellhead has gone up from 26 cents to 60 cents and I can't conceive that any of the three Ontario utilities—but this is something for the Ontario Energy Board to decide—can absorb an increase like that in their prices, nor can TransCanada PipeLine.

Mr. Sargent: There is no way that you can prevent this from going up to 60 cents per 1,000 cu ft?

Hon. Mr. McKeough: No.

Mr. Sargent: That's the wellhead price? That's all, Mr. Chairman.

Mr. Chairman: The member for Sandwich-Riverside. You are on vote 1801 and 1802?

Mr. Burr: Yes.

Mr. Chairman: Okay.

Mr. Burr: Is the ministry aware of a study entitled "An Assessment of Energy and Materials Utilization in the USA" which was made at the electronics research laboratory, College of Engineering, University of California at Berkeley, in September 1971? It was presented at a seminar on the ecology of power production.

I mention this, Mr. Chairman, because this paper argues that per capita energy consumption need not increase. In fact, it argues that it could be decreased 38 per cent by the year 2000 without reductions in the material goods and comforts to which the present day society has become accustomed.

This, I think, is contrary to projections made by many other sources. This study reaches its conclusion on the basis of savings. These would result from improved efficiency in many public services such as mass transportation, from the reuse and recycling of metals, from savings in industry and the increased use of solar energy as one of the factors contributing to the savings.

I feel this is an important study, because if it is valid, or even partially valid, a 38 per cent per capita reduction could be achieved. If it is applicable to Canada and Ontario, we should know about this now. Most projections for future energy demands show per capita increases, and seem to be put out by persons or organizations having a vested interest in meeting those so-called demands.

Let us consider the direct solar energy conversion, a system whereby the rays of the sun are collected and captured. This is an established technology, and I have here a photograph—60 years old—of part of a solar energy power plant that existed in 1913 in Egypt. A 50 hp engine was successfully powered by solar steam along the banks of the Nile. Later, in California, solar water heaters were made and sold from the turn of the century, until about the mid-1930s when the competition from cheaper natural gas forced the company to stop production. Solar water heaters are common today in Israel, and they are standard equipment in many homes in northern Australia. Japan has more than a million of them in use.

In short, the basic technology is there. What is needed is a research and development effort to develop sophisticated and mass production processes that are competitive with current energy prices.

If either some or all of the various methods of harnessing solar energy were to become commercial in the next few years, not only would we need no more new nuclear plants, but it might even be that we could phase out our present ones to the salvation of many of the uranium miners.

What I am trying to tell the minister is this. The government of Ontario, in co-operation with other governments of this country, and the federal government, and even with the federal government of the US, should plan a substantial solar R and D programme. Why couldn't Ontario take the initiative?

I think I have mentioned before that Nova Scotia could work on the ocean temperature difference phase; New Brunswick could work on tidal power; Quebec and Ontario on wind energy; southern Ontario on direct solar energy; and the federal government could come in wherever it was needed to take part most effectively.

If Ontario could develop some of the sophisticated technology first, then the province might well prosper and profit from subsequent exports of it, just as it is now trying to do with Candu. Perhaps the greatest blessing of solar energy in its various forms would be—when used world-wide—the obvious removal of conflict between nations, and this contribution to peace can't come any too soon, as all members realize.

If the minister can play a part in this then more power to him. What I would like to know is whether the minister will get a copy of this particular study that I have mentioned and see whether Ontario could profit from some of the ideas presented in it.

Hon. Mr. McKeough: I am not familiar with that study, but I'll be glad to have a look at it.

Mr. Burr: Yes, thank you. Can the minister tell me, how many of his advisers would he consider authorities or experts on any phase of solar energy?

Hon. Mr. McKeough: None.

Mr. Burr: None. Is that the way it's going to remain?

An hon. member: They are just not interested.

Hon. Mr. McKeough: We went through this the other day. We just don't think this is—the member does, we don't—a place we are prepared to put our money into. It's as simple as that.

Mr. Burr: Well, it's a tragedy. Could the minister tell me, how long does heavy water

last before it has to be renewed in a reactor? What is its life?

Hon. Mr. McKeough: Forever, really, in theory. But in effect the loss is about one per cent. To date at Pickering it has been about one per cent, but in theory the heavy water lasts forever.

Mr. Burr: What is the cost per pound now?

Hon. Mr. McKeough: I don't know whether we still do or not—we were buying from the pool, in effect. About $40, something like that.

Mr. Burr: About $40?

Hon. Mr. McKeough: About $40, yes. I think if memory serves me correctly, we are buying at about $40 because it's coming out of the pool, but I think the cost of production is somewhere in the neighbourhood of $60 or $70. I think that's the figure. We can get those figures for the hon. member.

Mr. Burr: In one of the publications put out it says that "manufactured by a complex process, heavy water costs between $18 and $20 a pound, but as the production increases the cost is expected to be reduced to about $16." And you say it's now up to $40?

Hon. Mr. McKeough: It is costing us much more than that. How old is that publication?

Mr. Burr: I got it at one of the libraries a couple of weeks ago—it's entitled "The Pickering Generating Station." You say it costs $70 and you sell it at $48, or—

Hon. Mr. McKeough: No, I think that we are buying it at $40. This is sort of an involved procedure which will change since we now own the plants. In effect, we have been buying out of the pool because it is cheaper.

The cost of production at Bruce, I think, is somewhere in the neighbourhood of $67 a pound; we think it is. And the new plants' output will be more than that. I don't know where those figures came from, but they are low—away low. They were the figures that were talked about a few years ago.

Mr. Burr: There is another matter that annoys me. It's this publication which you can get at any library and at the Pickering plant, "Nuclear Power and Our Environment in Canada." You open it up and the first sentence is, "Is nuclear power necessary?" The answer is, "In fact there is today no alternative if we are to conserve the world's resources of fuel."

Well, whether you want solar power or like solar energy you can't deny that it is an alternative. Yet this says there is no alternative.

The next question is, "Is it safe?" The answer: "Nuclear power reactors have been in operation in the United States and Britain since the 1950s, and in Canada since 1962. There has not been one single fatal accident at any of them." Now that is not true and I related several examples in one of my speeches. This is just not true. There have been fatal accidents. I am not going to repeat where they were unless you wish.

Next question: "Does nuclear power pollute?" It says: "Nuclear power plants do not discharge smoke, sulphur dioxide, oxides of nitrogen to the atmosphere and there are no unsightly piles of fuel and fuel handling equipment."

Mr. Good: There certainly is sulphur dioxide coming out of Douglas Point.

Mr. Burr: At Douglas Point?

Mr. Good: Don't tell me there is no sulphur dioxide coming out of Douglas Point. There sure is.

Mr. Riddell: It's what you can't see that contributes to the hazards of pollution.

Mr. Burr: At the uranium mines—

Mr. Good: That's hydrogen sulphide, I mean.

Mr. Burr: Hydrogen sulphide? Yes. At the uranium mines, of course, there are these unsightly piles but they are not down here in Toronto or out at Pickering, that is true. But they do exist and, as you know, they are polluting the lakes. They certainly pollute the air up there. Here is a gem. "The plants require less space than a fossil plant." Yet here is a headline, "No Buildings Allowed around Nuclear Plant." There is a five-mile zone around the Bruce nuclear power plant in which no commercial buildings will be allowed. So it is not a very accurate statement either to say the plants require less space.

There are four statements which are not true. These are simply propaganda sheets. They are not scientific publications by any stretch of the imagination. They merely deceive the people who read them. I would appeal to the minister to get them taken off the shelves in our libraries and other

places where they are given away to people with the intent to mislead them.

Could the minister tell me what these emergency cards are which have been issued around Inverhuron? How do they work?

Hon. Mr. McKeough: They were simply in case there was an escape from the heavy water plant. They were simply handed out and they indicated what people should do, which is to move out of the area. I think they were a precaution developed by the safety committee.

Mr. Burr: Has the—

Hon. Mr. McKeough: It relates to the production of heavy water rather than the nuclear plant.

Mr. Burr: This is the hydrogen sulphide?

Hon. Mr. McKeough: Yes.

Mr. Burr: Have the plans for the Pickering area been developed yet?

Hon. Mr. McKeough: The doubling at Pickering?

Mr. Burr. No, the emergency plans which have been under discussion or under preparation since January, 1971, I believe it is.

Hon. Mr. McKeough: Those plans are in operation so far as I know. There is one developed by Hydro; the Ministry of Health specifically has one. I think Emergency Measures is involved in some way or another. Basically it is the Ministry of Health, and Hydro itself. So far as I know they are operational; I think they are reviewed from time to time.

Mr. Burr: Well, last fall they were rejected because they were considered inadequate. The emergency measures branch had some hand in forming them, and they were rejected last August, I believe, because they were inadequate for the situation, and they were going to be taken back and revised. Those are the ones I'm referring to. Have they been approved?

Hon. Mr. McKeough: I think, as I recall that story, that was the Ministry of Health. It wasn't something that Hydro was directly involved in, as I recall, but I will have to get that information. I remember seeing that news story last fall some time, I guess.

Mr. Chairman: The hon. member for Huron.

Mr. Riddell: Mr. Chairman, I would like to make reference to some information that was released to the press today. Obviously the minister has got a copy, because he made reference to it a little earlier on. It dealt with the Hydro rate—

Hon. Mr. McKeough: I am not uneasy about this, but that is a matter that has gone to the board. I think we might well deal with it under the third vote, but if you want to talk about it now, I am easy.

Mr. Riddell: Well, I was going to suggest other matters than what might pertain to the Energy Board, but it doesn't matter to me.

Mr. Chairman: The Energy Board comes under vote 1803.

Mr. Gaunt: Are we taking the first and second votes together?

Mr. Chairman: Yes. The member for Nickel Belt.

Mr. Laughren: Thank you, Mr. Chairman. My feelings about the whole question of uranium as a source of energy have been put forth pretty well, I think, by the member for Scarborough West (Mr. Lewis) and the member for Sandwich-Riverside, who dealt with the subject extremely well on Friday, I thought. But I am thinking today in the aftermath of the walkout at Elliot Lake—and tempers have cooled somewhat; at least my temper had cooled until the Minister of Natural Resources made his statement today.

We get a little tired on this side when we talk about uranium as a source of energy, and we try to engage the Minister of Energy in a debate concerning the future of uranium as a source of energy fuel. On one hand he seems to take great pride in the accomplishments of Ontario Hydro, which I have always thought was the Conservatives' one experiment with socialism, but he refuses to engage in any meaningful debate on the future of uranium in that sense.

I am wondering if he really is prepared to go ahead without reconsidering the use of uranium since the health of a great many miners' lives could be at stake. It is possible, I believe, that uranium can be mined safely. But if it cannot be, then it should not be mined. If I could paraphrase my friend from Sandwich-Riverside, "I would rather light a candle, than heat my home at the expense of the health of the miners in our uranium mines."

I believe that for a large number of reasons—and I will enunciate some of them—our uranium supplies should be brought under public ownership and operated through

Crown corporations of the Province of Ontario. One of the reasons, of course, is the sensitivity of uranium—

Hon. Mr. McKeough: Mr. Chairman, I don't want to be provocative—we did go through this at the last meeting, and I said nothing; it was a little bit more topical then than perhaps it is today—but the question of safety as far as uranium is concerned clearly falls within the purview of the estimates of the Ministry of Natural Resources and not within these estimates. The member for Scarborough West was good enough to say that when he started out. He was speaking so beautifully, I think we let him go ahead. But, really, this is not in these estimates, I say with great respect — particularly, as I understand it, since the estimates of the Ministry of Natural Resources will follow very quickly on these estimates.

Mr. Laughren: Just in response to that, I agree that the safety conditions in the mines are under the jurisdiction of the Ministry of Natural Resources. No question about that. But we on this side of the House are concerned about the entire question of the Ministry of Energy hanging its hat on the supply of uranium without knowing whether or not the extraction of uranium can be done safely. Surely that comes within the purview of the Ministry of Energy. And for the moment I will refrain from talking about the conditions at Elliot Lake. I would be quite willing to discuss that subject in detail during the estimates of the Ministry of Natural Resources.

But, Mr. Chairman, if I could return to the question of whether or not our uranium supplies should be controlled in the way our electrical supplies are—namely, through a Crown corporation—I suspect that the minister would not disagree that that comes as part of the policy of the Ministry of Energy.

Mr. E. W. Martel (Sudbury East): Don't tell me the roof is burning again.

Mr. Laughren: If we consider the sensitivity of uranium as a potential military fuel, of course, that is one reason why it should be publicly controlled. There is the question of the supply of alternative sources of energy; namely, the non-renewable supply of our oil reserves in this country. There is the question of the working conditions in the uranium mines. There is the question of the past public investment in uranium supplies through the uranium companies in this province.

I think that the minister should refrain, through a great act of self-discipline, from responding to this kind of debate by stating rather blandly, "That is the difference between me and you socialists on that side."

I think that hiding behind the labels of socialism or capitalism really does not constitute an intelligent response. It was not an adequate response when Ontario Hydro was made a public utility, and it is not an adequate response today when we are discussing the supply of energy in the province.

Of course, the minister has been known to dispense with our arguments on this side regarding public ownership by saying, "It's too expensive. You fellows over there would bankrupt us." That is, of course, simple nonsense. Before he makes that accusation, the minister should consider a couple of points.

First, just how much public money has been pumped into the uranium industry in the years gone by? Second, what does he anticipate the economic surplus will be generated for the uranium industry in the years ahead as the supply of uranium becomes ever more valuable?

It is not the cost of public ownership of our uranium supplies that is the obstacle, Mr. Chairman; it is the lack of a commitment on the part of this minister and the government he represents. It could be done with justice for all. It could be done, before the minister brings in the old chestnut, with ample protection to the widows and orphans who hold stock in uranium companies.

Besides the economic justification for it, there is a social justification too. That is the opportunity to establish a new benchmark in working conditions in our mines if the mines were under public ownership.

Let's not overlook either the justification of giving working people the right to have a say in the conditions under which they work daily, and even in the way by which the ore is extracted from the ground.

As a matter of fact, if energy is the fuel of the future, there is every reason to put the people who extract that ore in a very special category and to give to them the right to work under conditions never before experienced in any mine.

For example, is it possible to extract ore in a uranium mine safely by having men work an eight-hour shift, or indeed by having them work a 40-hour week? I don't know the answers to those questions.

I am not too sure just what has to be done to allow uranium to be extracted with no

danger whatsoever to the miners. But I do know that if the Ministry of Energy is determined to hang its hat on uranium, it should have more of a concern or should be moving more aggressively in this field to ensure that the people who extract that ore receive the kind of protection they deserve.

We know that with the calibre of mining inspectors in the Province of Ontario — I hasten to add that I never attack the civil service for the ills of the ministry, but in this case I must say that we do not have faith in the mining inspectors in this province because they do not take the initiative in determining or improving the working conditions. It would appear that their first allegiance is to their former employers and in almost every case that is the mining companies.

Mr. Chairman: Order please. Perhaps the member has made his point even if it is in the wrong ministry.

Mr. Laughren: Mr. Chairman, surely—

Mr. Chairman: No, I have been listening very carefully and the last few moments have been out of the discussion. I will let the member go on if he can go on to some other point in connection with 1801-2. He may continue.

Mr. Laughren: Mr. Chairman, I sincerely cannot think of any better reasons for having our energy reserves controlled by a Crown corporation than the health and the protection of the people who work in those mines. The people who are involved in the extraction of ore never have exaggerated the working conditions. Surely that should be one of the major concerns of the Minister of Energy —to make sure that he does not rely on a fuel in the future that is extracted at the expense of people's health. I really do wish that this minister would take it upon himself to regard the working conditions in the area of uranium mines as at last partly his responsibility.

Mr. Chairman: Order please. The member is repeating himself now three or four times and all out of order. I advise him not to continue.

Mr. Laughren: Mr. Chairman, I will submit to your ruling: I would only say in conclusion, if I might, I do not believe that we will ever see the right kind of working conditions in the uranium mines as long as they are controlled by the private sector and particularly those corporations that are active in the uranium mines.

Mr. Chairman: The member for Waterloo North.

Mr. Good: Just a few short comments, Mr. Chairman. Is it the Lennox plant that is going to be oil fired?

Hon. Mr. McKeough: Yes.

Mr. Good: Could the minister tell me how the supply of oil will be kept constant summer and winter? I understand that during the summer it will be brought in by lake tanker, and someone has suggested to me that it is going to take acres and acres of storage tanks to supply this thing during the winter. What is the technology on this?

Hon. Mr. McKeough: There are some stories that it is going to come by rail from Montreal essentially. With this qualification, some time we hope Wesleyville will also be oil. This is not a pipe dream—at some point or another one would hope that there might be a refinery in eastern Ontario which would change that picture. One of the reasons for strengthening the pipeline, or at least building the pipeline to Montreal, is that it would be right on the pipeline. But the answer to your question is that it will come by rail from Montreal.

Mr. Good: Is it feasible to have sufficient oil delivered by rail to fire this plant without using storage?

Hon. Mr. McKeough: Unit trains.

Mr. Good: Okay. Along the same lines—and this has to do with the use of coal in the generation of electricity — a couple of years ago I wrote the CN and CP regarding the technology they have developed in rail haul of coal from Alberta to the west coast for transshipment to Japan. Evidently it is now quite a satisfactory method of moving coal with the types of cars they have developed and it is fairly economical. I asked them at that time about the use of Alberta coal in Ontario by Ontario Hydro—whether this would be feasible. The discussion that went on was that with a proper transfer point at the Lakehead and the transshipment by boat to generating stations, it could be developed. But they were waiting for Ontario Hydro even to talk about it or speed up discussion on it to see if it couldn't be feasible.

What I have ascertained by looking into this whole situation is that Ontario Hydro seems to think of coal as the last resort as far as generating electricity. Others have the opinion that if there is better technology developed or even existing technology used

to a better degree by Ontario Hydro, coal may ultimately be the final source of energy that will have to be used to generate electricity. Supplies of gas and oil, of course, are quite limited and they are a resource which is not in as abundant supply as is coal.

I am wondering if the minister could tell us how important the future use of coal is in the plans for Ontario Hydro, whether there is any concentrated effort being made to develop means of burning low-sulphur and the regular type of coal to prevent pollution, which is the basic problem with it, and whether there is advantage in using Canadian coal. When we look at the cost of export dollars, on balance of payments — again this year there was another borrowing by Ontario Hydro down in New York — I think $125 million or $100 million is going to be spent exclusively in the United States for payment of coal. What about coal in the future plans of Hydro?

Hon. Mr. McKeough: Very big. Let me just touch on a point that you raised at the end. In terms of balance of payments there are many right now who hope that Hydro goes on buying coal in the States because of the position of our dollar. I don't think, in the long run, that makes sense. It isn't a valid argument. It probably is at the moment.

No, Hydro is very big on coal—roughly 35 per cent of the present generation is coal. There is no oil at the moment. Lennox is to be the first oil-fired station other than a little bit at Douglas Point. When Lennox was planned it looked like oil made sense. It is cleaner or can be cleaner than coal, and that picture has changed in the last couple of years. Wesleyville was reviewed and it still made sense to use oil.

My guess is that future Hydro plants which are non-nuclear for some time to come will be using coal. The projected use of coal to the year 1980 is something like 19 million tons a year.

There are problems with western coal. It is low sulphur but the problem is the Btu content. The American coal has a Btu content of about 12,000 and western coal is about 6,000 to 7,000. This means you are shipping nearly twice as much coal to get the same amount of heat. Railways always sort of forget that point—well, not really.

The last figures we saw indicated that coal from western Canada would be about 50 per cent higher than coal from, for example, the United States Steel purchase. It's a lot longer haul. In fairness, the mines in the States are pretty efficient but — as I indicated earlier when we were talking about coal, I guess with the member for York South—they are not as efficient in western Canada as they can be. I'll put it that way. They are relatively small. They are not the big operations.

There is the problem with Btu content. There is the problem with transportation. There is the higher cost. I think all these things can be overcome and will be overcome in time—perhaps by pipeline, perhaps by unit trains. We see a big future for coal and a big future particularly for western Canadian coal because it's good for western Canada and therefore good for us.

Mr. Good: So there is no minimum plan of development as far as the train and the transfer stations at the Lakehead, as far as Ontario Hydro—. Are there any talks going on between Ontario Hydro and CP or CN as far as that goes?

Hon. Mr. McKeough: Yes, and between the CTC and between the government of Alberta. Yes, very much so — and between MTC. Yes.

Mr. Good: One other question—the Onakawna lignite deposit—this will never really develop into an important factor as far as generating electricity in Ontario, will it?

Hon. Mr. McKeough: It doesn't mean to say it shouldn't be done but it's 1,000 megawatts for 30 years and from what we know now that has gone. Nanticoke will be 4,000 megawatts—to put it in perspective.

Mr. Good: That is coal.

Hon. Mr. McKeough: That's coal. But so far as we know at this moment, there isn't that much lignite. The member for York South—again we talked about this a little earlier when we were talking about possible gasification—that made a lot of sense. There simply isn't enough lignite there, as far as we know, to do anything on that scale with it.

It doesn't mean to say, though, that it shouldn't be developed for power for that 1,000 megawatts or 900, whatever it is, for the 30-year period. That may make sense.

Mr. Good: What would happen then if you built up a use for it there, an industry or something? I understand the local economy is really one of the main purposes for developing it. What happens at the end of 30 years when there is no more lignite? Are we going to have another ghost town?

Hon. Mr. McKeough: I don't know. You take that into account as to whether you should bring in—you might well bring in lignite that is around Saskatchewan, which is a lot closer and in 30 years' time, if there was still an economic life left in the plant and I am sure there would—the plant would be amortized over a 30-year period, I guess—but there would probably be life left in it. It might well make sense by then. That's a long way in the future, to be bringing lignite from Saskatchewan, or we might find more in northern Ontario at some point.

Mr. Chairman: The member for Nickel Belt.

Mr. Laughren: Mr. Chairman, I wonder if the minister has had any communication from his federal counterpart, the Minister of Energy, Mines and Resources concerning a possible delay in the construction of the pipeline. I ask that because when the federal minister was in Sudbury last weekend, he made a statement there was a possibility of a delay in construction because of the possibility of offshore deposits on the east coast of Canada. I wonder if he has communicated that to this minister.

Hon. Mr. McKeough: No. As far as we know the hearing is still going ahead in June or May In the next 10 days or so the interprovincial hearing goes ahead.

Mr. Chairman: The hon. member for Windsor West.

Mr. E. J. Bounsall (Windsor West): Thank you, Mr. Chairman. I wanted to speak briefly about the amounts of money that the Energy minister is putting into research on energy and energy fuels. In the Province of Alberta through the Alberta Research Foundation, a tremendous amount of government support over the years in both geological and petroleum research, the original research plus applied research has been done. We have not really put much money into the Ontario Research Foundation and for quite some years there has been an attitude of not spending funds on original research. We have given some grants through the Ontario Research Foundation to various universities but here again they have been slight and have been decreasing on the whole rather than increasing. In fact, through the Research Foundation, we spend about a factor of 10 per capita less on Ontario Research Foundation than does Alberta. I bring this us specifically as it relates to hydrogen as a prospective source of fuel in the future. As you know, we are about 15 years away from it being technically and economically feasible to produce hydrogen in large quantities by electrolysis.

Hydrogen, of course, when it is burned produces only water as the product of combustion. So it is a very clean fuel and it seems to me that if through the Ontario Research Foundation original research—which in this case has a very applied aspect to it—was funded by the Ontario government we could materially advance the date at which hydrogen fuel would become available as an alternate source of fuel in this province, both as a means of replacing natural gas as the major heat source in the province and as the means by 1990 and thereafter of producing electrical power.

It strikes me that this ministry really should be taking a great interest in this type of fuel as the future fuel. If one put research funds into this at the moment, we could advance that date from 15 years to something like eight or 10, where this would be economically feasible as a fuel. There are also reports from various bodies looking at hydrogen as an energy source, where it can be used in fact as a replacement for gasoline in car vehicles. A Dr. G. A. Karim, professor of chemical engineering in Calgary, has developed a model of a hydrogen-oxygen engine which also recycles the waste hydrogen in its exhaust; the whole engine uses hydrogen and is used as a replacement for the conventional gasoline engines for powering our cars. The two winning entries in last year's national urban vehicle design competition in Detroit were vehicles which ran on hydrogen.

We have the technology—it's a pretty advanced technology—of the use of hydrogen engines as replacements for the engines of our cars and trucks in the future. Hydrogen is very easily converted and is very easily used as a source of fuel with very slight conversions required, in our natural gas furnaces. Certainly, rather than going back to the rather dirty coal or even oil as a means of firing our Hydro stations in the future, hydrogen has its application there.

The question to this minister is what are you doing in the way of energy research and will you consider — and I urge you very strongly to do so—putting some research funds into making hydrogen economically and technically feasible as a means of all kinds of fuel replacements? What is being done in this area of research through the Ontario Research Foundation?

Hon. Mr. McKeough: Nothing through the Research Foundation. We have discussed this earlier; this ministry doesn't have an amount in here for research. It will be some years before we are competent to direct or to initiate research. It is not a high priority at this moment. Hydro, of course, has a large research budget, particularly through AECL. AECL, in particular response to your question, has been doing some work on hydrogen and in our payments to AECL we support that.

Mr. Chairman: Anything further on votes 1801 and 1802?

Mr. Burr: Yes. How many members on the minister's staff are of a technical nature, not clerical?

Hon. Mr. McKeough: Roughly 20.

Mr. Burr: I'm sorry?

Hon. Mr. McKeough: Roughly 20.

Mr. Chairman: On votes 1801 and 1802? The member for Huron-Bruce.

Mr. Gaunt: Mr. Chairman, I discussed with the minister, when the bill was introduced to create the ministry, the matter of heating oil prices across the province. We talked at that time about the fact that the various oil companies set up pricing areas which are really artificial devices for increasing their profits. The oil companies will tell you that these areas are set up on the basis of reflecting transportation costs. My experience has been, comparing some of the prices, they really don't bear any relation at all to the transportation costs.

I am wondering if the minister has ever thought any more about the matter of having a uniform price for heating oil right across the province? We discussed it very briefly at that time and I think, as far as the minister was concerned at that point in time, he wasn't really prepared to give the matter any serious thought, which is understandable. In view of what has happened in the intervening period and in view of the whole energy crisis, so to speak, I am wondering if the minister has thought about this any further and if, in fact, in his view it would be a practical solution?

I have to point out that the areas of the northern part of western Ontario and northern Ontario itself pay the highest heating oil prices in the province. They not only have to pay the highest prices they suffer the most severe winter weather conditions as well, so they have two additional factors against them in terms of the pricing policies on heating oil. I am wondering if the minister would make some comment and if, in fact, he could apply this principle to heating oil. It has been applied by Hydro. I realize Hydro is a government emanation but the fact of the matter is that beer prices across the province are equalized. They are set—

Mr. Stokes: OHIP premiums.

Mr. Gaunt: OHIP premiums, yes—but beer prices are equalized across the province and the Brewers' Retail Ltd. is a private concern which sets the beer prices and is able to make the accommodation in regard to beer prices. And I am thinking that home heating oil is certainly a much more vital ingredient, as far as people's shelter costs are concerned, than beer prices are. Heating oil is an important shelter cost for many people across the province, and I would suggest that this is a matter which should be pursued with the oil companies.

Do I get any response?

Hon. Mr. McKeough: Mr. Chairman, we discussed this before. Beer, as we know, is sold through one source, the Brewers' Warehousing Co. The price is set by the government. This is not true of heating oil. If the member is asking if the government has any intention at this moment—presumably through the Ministry of Consumer and Commercial Relations and not through my ministry—to move in and set prices in the oil industry, I would have to say the answer at the moment is no. We can't move in and say we are going to have one price throughout Ontario without in fact controlling price, and that is not our intention.

Mr. Gaunt: Mr. Chairman, I don't think it is quite that way, with respect. What I am after is to find out if the Ministry of Energy is prepared to negotiate with the oil companies and put the suggestion forward to them. Perhaps that is all that is needed. Perhaps they would be inclined toward the idea. And perhaps they would pick it up immediately and try to institute some system whereby this could be achieved. On the other hand, they may not, they may resist. But I am just wondering if the minister is of a mind to pursue the matter with the oil companies and put forward the suggestion. I think, at this juncture, it would at least initiate the idea with the oil companies.

Hon. Mr. McKeough: I think the suggestion has been made by the Minister of

Consumer and Commercial Relations (Mr. Clement).

Mr. Chairman: Any further discussion on 1801 and 1802?

Mr. Stokes: Yes.

Mr. Gaunt: I am wondering if there was any particular response—

Hon. Mr. McKeough: Unfavourable.

Mr. Gaunt: Unfavourable. I think that it is just—

Hon. Mr. McKeough: As I understand it, I don't think it was—

Mr. Chairman: Perhaps before we continue the discussion the hon. House leader might be allowed a moment.

Hon. Mr. Winkler: Mr. Chairman, before the House rises I would like to take a moment to place on the record of the Legislature the fact that yesterday George Henry Doucett passed away.

I would like to record that he began his political career in 1922 in the township of Ramsey, and later in a higher elected office in that same township. He was a member of the Ontario Legislature from 1937 to 1957. He served under Premiers Drew, Kennedy and Frost as Minister of Highways and also Minister of Public Works.

In 1957 Mr. Doucett was elected to the House of Commons by acclamation as the member for Lanark and remained in the House until 1965. He did not contest that election.

He leaves behind his wife, the former Mona Dickinson, and I am sure that all of us join in extending our sympathy to her. I would say that because he was a personal friend of mine, Ontario has lost a great Canadian.

Mr. H. Worton (Wellington South): Mr. Chairman, I would like to add to the House leader's remarks. I had the pleasure of sitting here with Mr. Doucett for two years, and he served this province with distinction. I am sure that on this side of the House we regret his passing very much.

It being 6 o'clock, p.m., the House took recess.

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Legislature of Ontario Debates

No. 38

Ontario

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OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Thursday, May 2, 1974

Evening Session

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Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

The House resumed at 8 o'clock, p.m.

ESTIMATES, MINISTRY OF ENERGY
(*continued*)

On votes 1801 and 1802:

Mr. Chairman: When we rose at 6 o'clock, p.m., we were considering the estimates of the Ministry of Energy, votes 1801 and 1802. Any further comments?

The hon. member for Sandwich-Riverside.

Mr. F. A. Burr (Sandwich-Riverside): Mr. Chairman, I understood the minister to say that he was thinking of going into the uranium enrichment process. How much electric energy is this going to consume in order to enrich the uranium for export?

Hon. W. D. McKeough (Minister of Energy): No, I am not going into the enrichment business. All I am saying is that I think there are people in this country who are interested in going into the enrichment business—probably not here—probably in the Province of Quebec, because there is presumably more power there, and perhaps cheaper power, at least temporarily.

Mr. Burr: Have you any idea how much electric energy is going to be consumed in this, because in the US—

Hon. Mr. McKeough: Two thousand megawatts.

Mr. Burr: Two thousand megawatts?

Hon. Mr. McKeough: Yes.

Mr. Burr: For what?

Hon. Mr. McKeough: For a $1 billion enrichment plant.

Mr. Burr: Two thousand megawatts—well, for what, per day?

Hon. Mr. McKeough: A Pickering plant.

Mr. Burr: Oh, you mean a plant of that size?

Hon. Mr. McKeough: You would need a Pickering. You would need roughly a Pickering plant to run a $1 billion enrichment plant.

Mr. Burr: Energy to create energy.

Hon. Mr. McKeough: Yes.

Mr. Burr: In the US it took huge amounts of electric energy in order to produce the fuel. In fact, it was years before they broke even. It seems a very wasteful process for, as you admit yourself, a dangerous use. You have said yourself that the enriched uranium plants are much more dangerous than ours.

Hon. Mr. McKeough: No, Mr. Chairman, I did not say that, on a point of order. What I said was that I firmly believe all nuclear generating systems are as safe as the inspection and safety authorities know how to make them. Having said that, I think the Candu system is probably safer.

Mr. Burr: I am sorry. You said that ours is safer than theirs.

Hon. Mr. McKeough: That's right.

Mr. Burr: Right. That doesn't mean then that theirs is more dangerous than ours?

Hon. Mr. McKeough: No.

Mr. Burr: I see.

Hon. Mr. McKeough: Not from your perspective, no, it wouldn't.

Mr. Chairman: The hon. member for Thunder Bay.

Mr. J. E. Stokes (Thunder Bay): Yes, I have several little things I would like the minister to clear up for me, Mr. Chairman. I want to refer to the pink paper that the minister put out when he was the parliamentary assistant in Energy, and proposal No. 5 that was circulated around.

Ontario Hydro, through its chairman, reacted to the various proposals that were put forward to the Premier (Mr. Davis) by the now minister. Proposal No. 5 says that the government of Ontario should make con-

tinuing representations to the government of Canada to ensure that federal government policies have as their stated objective that exports of Canadian energy resources of all types, including uranium, are not permitted until long-term supplies for Canada are assured.

Of course, Ontario Hydro say they obviously agree with that and they say that this approach would also help to ensure that export prices would not set domestic prices and any legislative action would, of course, have to be considered in the light of potential reciprocal constraints by other countries. And they say that they—Ontario Hydro, that is—will keep the regulatory authorities advised of Hydro's present and future fuel requirements and their methods of obtaining supplies to enable implementation of any legislative procedures that may be considered necessary.

In the light of events in the intervening months concerning various types of energy that might be used, has the minister changed his mind on that proposal No. 5, in the light of the Premier's objective stated recently in this Legislature of calling for a more up-to-date look and a more advanced look at our uranium resources; and how he even intimated that we should be looking forward to assisting the uranium mining industry by allowing them to export, or at least advocating to some extent that the federal government release their constraints with regard to the production and the off-shore sale of uranium oxide?

In keeping with that, there was, I think, since the minister stated that proposal, there was a proposal presented to the province, I believe it was by the Acres Company, to construct a nuclear generating station somewhere along the north shore of Lake Superior, just north of Sault Ste. Marie, wholly and solely for export. That was my understanding at the time the announcement was made. I know that the chairman of Ontario Hydro, Mr. Gathercole, was questioned at some length during a recent trip to the north about this, about allowing a nuclear generating station to be constructed on the shore of the only remaining pristine lake, supposedly, in Ontario and North America, having regard for the thermal pollution and the use of a precious source of energy wholly and solely for export to the United States.

I have several other things that I would like a clarification from the minister on, based on this list of proposals to the Premier that the minister made in his former capacity. But I think for the sake of brevity and to maintain some semblance of order, I would ask about them one at a time.

Hon. Mr. McKeough: Well, I don't think there is any inconsistency between what the Premier said a couple of weeks ago in tabling the paper and what I said a year ago.

Mr. Stokes: Well, all right. You say that we should ensure that the federal government initiates a policy or continues—

Hon. Mr. McKeough: Exactly, and that's what our paper was all about.

Mr. Stokes: Yes, continues with a policy of not allowing any export until we know what our requirements are.

Hon. Mr. McKeough: They don't have that policy.

Mr. Stokes: Pardon?

Hon. Mr. McKeough: They don't have that policy now.

Mr. Stokes: Well, all right—

Hon. Mr. McKeough: They have no policy.

Mr. Stokes: All right, what was the Premier saying then with regard to our uranium supplies, that maybe we should be looking at export—

Hon. Mr. McKeough: No, he did not say that.

Mr. Stokes: —when we don't know what our own requirements are?

Hon. Mr. McKeough: He did not say that at all, Mr. Chairman. I suggest, with great respect, that the member read what the Premier said. The Premier did not say that.

He did not ask for, nor did the paper which was tabled ask for, a relaxation of the export controls. We asked for export controls in the development of a formula. There was nothing in what the Premier said which suggested that there was any desirability of not having export controls. What the Premier said and what the paper said was completely consistent with the proposal which was tabled a year ago.

Mr. Stokes: Well, all right. Further to that, it was related to it but Ontario Hydro said in connection with our uranium energies that our present uranium requirements to the year 2000 are approximately 80,000 tons.

Allowing for existing export contracts this represents nearly all of the proven reserves at less than $10 a pound in Ontario. In view of the impending surge in world uranium demand and the pressures this will exert on prices and available supplies, it is imperative that ample long-term supplies of low-cost uranium be secured for use in Ontario. We are currently evaluating whether our long-term needs are best met with contracts or by the purchase of uranium reserves.

As oil represents less of our generating capacity we have not as yet fully evaluated our situation regarding ownership versus contracts. However, with the commitment of the Wesleyville generating station to burn oil, an evaluation is under way.

They further state:

We will press ahead with evaluation of our long-term fuel requirements and the best means of securing them and will submit our findings as soon as possible. For uranium, initial indications are that the best course of action from the standpoint of both security and price is outright purchase of reserves.

Does this mean that if Acres made a proposal to either the provincial or the federal government for the construction of a nuclear generating capacity any place in Ontario that you would block it strictly for export purposes until you were assured of continuity of supply at a reasonable price, having regard for our own domestic needs?

Hon. Mr. McKeough: No. If I had my druthers I would block the sale to the UK or block the sale to Japan and let Acres go ahead. But we are a long way from making that decision.

Mr. Stokes: Are you suggesting then, Mr. Minister, that in your opinion we have ample reserves in the short run—

Hon. Mr. McKeough: I did not say that at all. What I am saying is that rather than export raw uranium I think it might be better to take a serious look at the export of electricity from the province. I have assumed over the years that that is New Democratic Party policy.

Mr. Stokes: It is certainly our policy to create jobs and do the ultimate in processing, but I question whether we should be using a source of energy, the quantity of which is undetermined and unknown at this time. Don't you think it would be much wiser for us to know what our requirements are going to be for—

Hon. Mr. McKeough: We know what our requirements are. Those are spelled out in the paper.

Mr. Stokes: Oh, we know what our requirements are in terms of energy, but we don't know what our requirements are having regard for the various kinds of resources, whether they be fossil fuels or anything else. We don't know what those reserves are, and—

Hon. Mr. McKeough: Yes, we do.

Mr. Stokes: Getting back to a statement made just recently by the president of Rio Algom. He says that the policies of the federal and many of the provincial jurisdictions have an inhibiting factor on the kind of exploration that they think is going to be necessary in order to determine what our long-term supplies are going to be.

Hon. Mr. McKeough: He is quite right.

Mr. Stokes: So I am wondering why would you allow the generation of electric power from uranium for export purposes before our future requirements are, even in the short run, determined.

Hon. Mr. McKeough: Why would you allow the export of uranium?

Mr. Stokes: We wouldn't. We certainly wouldn't.

Hon. Mr. McKeough: You wouldn't?

Mr. Stokes: No.

Hon. Mr. McKeough: I am just interested. You wouldn't allow the present sales—this is before the government of Canada, I am interested in this—you would not allow the sales which have been made by Denison to Japan and the sale which is being made by Rio Algom to the UK? You would not allow that?

Mr. Stokes: Until we can be told unequivocally that they are surplus to our needs —in much the same way that we opposed the export of natural gas to the United States. And, of course, events of the past two years have proven us right.

Hon. Mr. McKeough: I am just interested.

Mr. Stokes: As our friend Tommy Douglas says, you know—

Hon. Mr. McKeough: No, your friend.

Mr. Stokes: When they went before the National Energy Board—

Mr. M. Cassidy (Ottawa Centre): You should get to know each other well.

Mr. Stokes: When the gas companies made the application before the National Energy Board we felt that we weren't too certain that the amount they were talking about was surplus to our own domestic needs. The events have proven us right, because now that the contract has been let and the cheap gas is flowing freely into the United States, we have got the petroleum companies coming to us and saying we must develop new sources right now or we are going to be in real danger. So we are in the unhappy position of exporting cheap energy to the United States while we are furiously looking for capital to exploit the more expensive kinds up in the Mackenize delta and offshore Arctic. I just don't think that we should be making the same mistake with uranium that the federal government and the Province of Alberta have made with regard to oil, and gas for that matter.

If the minister says that he hasn't changed from his statement of Aug. 29, 1973, and if he's saying that the Premier's statement in the House with regard to uranium hasn't changed that policy either, I'm happy to have that assurance from the minister. If anybody makes an application to the federal government for large exports of uranium oxide that we consider aren't surplus to our needs, I'm happy to hear that we have an ally in this minister.

I want to ask the minister what he proposes to do about energy price controls. He says in the same document in proposal 6:

> The government of Canada should be pressed to resort to energy price controls, if this is necessary, to ensure that domestic prices of energy resources are not inflated by prices with respect to energy supply beyond the borders of Canada, and are not unduly influenced by the anticipation of higher costs of production related to future energy supplies.

As a result of initiatives taken jointly by the federal government and the province, we have what, in effect, is price control on oil, at least for the next year to 14 months.

What initiatives do you think should be taken by the federal government to assure the consumer in the Province of Ontario that you will intervene if there is significant increases in the price of other forms of energy? This was raised here earlier this afternoon, and I'm not sure whether the minister is aware of what has taken place in heating fuel for domestic consumption over the past year, since this somewhat contrived energy shortage hit us.

The minister mentioned something about tendering for large blocks of heating oil. I want to tell the minister that there are two school boards in my riding which buy in block for all of their heating requirements for various schools under their jurisdiction. One of them was the Geraldton district school board and the other one was the Lake Superior school board. In the case of the former, they buy in block up to 50,000 gallons, and they had invited three major oil companies to submit bids. Last year, when that was done, they got their fuel oil requirements at a fairly reasonable rate. It was something in the neighbourhood of 20 to 22 cents a gallon.

This worked so well that they did the same thing again last fall for their oil requirements, inviting the same three companies to submit a bid, and they got a bid from only one of them. That was the one that had supplied them the year previously. When the Geraldton district school board asked the other two companies why they hadn't bothered to bid, they said they were only interested in serving present customers. The only one that submitted a bid increased the price by 50 per cent and nobody squawked except the school board, because the other two companies obviously weren't interested in taking business away from their friends or competitors, depending on how you want to look at it.

You mentioned earlier there was tendering and in that way the prices would be competitive. I wanted to remind you that there were documented cases, as a result of this contrived energy shortage last fall, whereby there is no such thing as free enterprise in the domestic heating oil business. There is no such thing as competitive bidding; they just charge all the traffic will bear.

I don't know whether you want to call it collusion or whether you want to call it—well, you can call it whatever you want, I think it is gouging. I think that some agency of this government if it has the power—and if it hasn't, I think it should go to the federal government which certainly has—should see that there is some protection not only for the independent homeowner but in the case of a school board which is playing the game by accepted rules but

finds out it is going to get it in the neck anyway.

I would like the minister's comments as to whether or not he thinks this is fair practice, and, if he doesn't, will he prevail upon his colleague, the Minister of Consumer and Commercial Relations (Mr. Clement) to intervene? I've already brought this to the ministry's attention and he didn't think there was too much wrong with it. What does the minister think?

Hon. Mr. McKeough: As I said this afternoon to the member for Huron-Bruce (Mr. Gaunt), unless you are going to institute price controls in this particular commodity, I don't think there is anything that can be done about it. I would agree with the Minister of Consumer and Commercial Relations.

Mr. Stokes: Are you saying they don't have to bid if they don't want to? You do business with a customer for years and you put out bids and everything is going along fine until they've got to do a little bit of belt-tightening. Then all of a sudden they'll say "No, we'll let him have it." Where is your competitive bidding?

Hon. Mr. McKeough: I know of no law which requires somebody to bid no matter how long he has had the business.

Mr. Stokes: All right. Do you think a 50 per cent increase in the cost of heating oil under the circumstances—

Hon. Mr. McKeough: Remember, I would say to the member, that was common all across the province.

Mr. Stokes: Pardon?

Hon. Mr. McKeough: That was common all across the province.

Mr. Stokes: It may have been common. Do you think it was justified?

Hon. Mr. McKeough: No, but I'm not going to convince you of the reasons. The member thinks the shortage was a contrived shortage. The fact is I don't think it was a contrived shortage. There were shortages and the minute there is the least sign of shortage, you will not get the kind of competitive bidding which normally you would.

Ask the Minister of Transportation and Communications (Mr. Rhodes), what has happened to the price of asphalt; ask any one of the school boards what kind of a response they've got. I think things have levelled out somewhat. But when oil prices were rising at the level they were in the early winter and last fall, there is no way that any company would give a guaranteed price for a year.

Mr. Stokes: I don't expect them to give a guaranteed price.

Hon. Mr. McKeough: That's what they were asked to do on that bid. You look at your school board bid.

Mr. Stokes: No, they weren't. They were asked to quote a price on 50,000 gallons of fuel oil and deliver it.

Hon. Mr. McKeough: All at once?

Mr. Stokes: Yes.

Hon. Mr. McKeough: No, over a period of a year. It is a year's requirements.

Mr. Stokes: Okay, I'm not going to argue with the minister. I think that it is patently unfair that oil companies should be allowed to operate in that fashion at the expense of the consumer.

Mr. Chairman, the other topic I want to get into is policy of this ministry but also relates to Ontario Hydro. If it relates to Ontario Hydro do you want me to bring it up under the—

Mr. Chairman: This would be the place, I suggest, because vote 1802 includes policy of direction to Ontario Hydro.

Mr. Stokes: All right. I want to chat briefly with the minister and before I do so I want to pay a tribute to Ontario Hydro for the enlightened way it has involved the public in northwestern Ontario as to the site location of a new thermal generating station someplace in northwestern Ontario. Now, I know they've come under a good deal of fire down here in the south and a good deal of it may have been justified. But I want to say that when you see an adjunct of this government, and an agency that we're all so involved with, in the provision of something that's so vital and so essential to our way of life as Ontario Hydro, I think when they do something well, I think that we should stop for a moment or two and say so.

I'm not saying that the choosing of a site for a generating facility is going to get unanimous consent wherever it may be built. The government is going to get people who are going to feel that it's going to be an impairment to the environment, that it's

going to somehow change their life-style, that somehow things are never going to be the same. But I think that in the way that Ontario Hydro has provided a forum for people of all persuasions, whether they be environmentalists, whether they be wilderness buffs, regardless, they have been given ample opportunity to express their views. If they react to the kind of input that has been given them, I'm sure that the ultimate decision will be much more palatable than it would have been had an opportunity not been provided.

I want to ask the minister whether or not, when a recommendation has been made by Ontario Hydro to the Resources Development secretariat—and I see the Provincial Secretary for Resources Development sitting there. I hope he's listening.

Mr. J. R. Breithaupt (Kitchener): He is. I can tell he is.

Mr. Stokes: I want to know what happened—

Hon. A. Grossman (Provincial Secretary for Resources Development): Would there be any other reason to come in here?

An hon. member: Since the minister asked—

Mr. Stokes: I want to know what happens after Ontario Hydro have their series of meetings with the public. They do get input, and then somebody in Ontario Hydro has to separate the wheat from the chaff and say: "This is how we read the comment of the public. This is what we think they want." Or: "This alternative would be much more palatable to the others for the following reasons." So it arrives before the Resources Development secretariat, and I want to know the mechanics. What happens from the time Ontario Hydro gathers all of the information and says: "These are the alternatives, now it's up to you people to make the decision"?

After the government has all of the input, on what criteria is the ultimate decision based? Does it say: "Well, here are the environmental consequences of building the thermal generating capacity one place as opposed to another"? Or does it say it will use this new source of energy, this plant, to produce new jobs and new technology and new skills in an area, so that in a very real sense the government is using this plant as a tool for further development in an area?

Does the government really look at the overall regional development plan for the Province of Ontario in the light of, for instance, Design for Development for Northwestern Ontario? Does it say: "We have opted for moderate expansion, moderate development, moderate job-producing potential. We think that this meets these criteria, and for that reason we will go ahead and direct Ontario Hydro to build this new generating capacity in that place as opposed to that place"?

I'm sure that not too many members in this chamber are aware of it, but I'm sure some of the people associated with Ontario Hydro are aware that there has been a great hue and cry from the people in the city of Thunder Bay as a result of the announced intention of Ontario Hydro to delimit the number of sites to four. Two of them are within the city limits of the city of Thunder Bay, two of them are down along the north shore of Lake Superior. Not only during the construction and development, there is going to be anywhere from 1,000 to 1,500 jobs for a significant number of months and perhaps up to three or four years. This will add, on a temporary basis at least, some economic stimulus and viability to the area.

But much more important than that is the long-term effect and long-term benefit that such an undertaking will have to the two areas that have been mentioned. One of them is Red Rock on the north shore of Lake Superior which is the site of Domtar Paper. The other one is Nipigon, just a few miles away, where their only direct economic activity, right within the confines of that municipality, is a small plywood mill. The town council of the township of Nipigon and the Nipigon planning board have asked my assistance to impress upon Ontario Hydro the need for some kind of economic stimulus, some job-producing activity, somewhere in the Nipigon-Red Rock area.

I think I would be remiss if I didn't take advantage of this opportunity to relay and to express the sentiments of that area. If Ontario Hydro can build the kind of generating facility using coal from the prairies, and if they can bring a dust-free operation within that area and use all the very latest in technological savvy and knowhow to provide the cleanest operation possible, they would be willing to accept them. And those sentiments were expressed to representatives from Ontario Hydro who took the trouble and were courteous enough to come down and hear out those people in the area.

Sure there are some environmental concerns, and we want assurances that it's going to be the cleanest operation possible. We

also want assurance, and we are given that assurance by Ontario Hydro, that they would, in much the same way that it was done up at Port Elgin, assist the existing municipality to provide the extra services that are going to be required as a result of making one of those towns the dormitory community for the work force that would be involved in the new generating plant.

Mr. D. A. Evans (Simcoe Centre): They always do that, Jack.

Mr. Stokes: We already have that assurance and I am awfully pleased to hear the vice-chairman of Ontario Hydro confirm that for me, and I hope Hydro got that on the record.

So all I am saying is, we are in the market and we'd be happy to accept such a plant under the terms that I have mentioned. I want to know from the minister—he hasn't been listening too intently, and I think maybe it's a little late in the evening and he's getting a little tired—but I hope he will react to what I have said and give me some assurance since—

Mr. Evans: See him getting tired?

Hon. Mr. Grossman: When they get on in years—

Mr. Stokes: Ah, that's probably it.

We are really and truly interested in the Design for Development, a process that was initiated—I think it was said it was fathered by this minister when he had another responsibility. It is in keeping with Design for Development. It's one of the tools which we have said for years could be used to foster a greater economic and industrial activity for an assured supply of electric energy which is so vital. If I can have the assurance from the minister that all of the things I have talked about will be taken into consideration and that we will be given an opportunity to benefit from this kind of development, I am sure the people in the Nipigon-Red Rock area will be very happy to hear about it.

Hon. Mr. McKeough: We discussed this at some length this afternoon when I guess the member wasn't here. That's why I wasn't listening quite as closely tonight because I heard the same remarks, perhaps put more succinctly—I hate to say that to my friend from Thunder Bay—by the member for Rainy River (Mr. Reid). He has never been noted for brevity but he put it all very well this afternoon; much what the member has said. The answer is yes—

Hon. Mr. Grossman: He's not as intelligent as this member.

Mr. Stokes: I don't know how he could speak very intelligently because he has never attended any of the meetings.

Hon. Mr. McKeough: —before the 11 sites were chosen there was obviously reference to Design for Development. What will happen is that Hydro, as I said this afternoon, presumably in the next three to five months, will make up its mind and will forward a report to me containing the evaluation of the site based on a whole host of factors, including Design for Development; with the comments of all the ministries with whom it has discussed it; with the ministries' preferences or non-preferences; with the reaction to the public participation programme and evaluation of that; and with the final recommendation.

What will happen to it at that point remains to be seen. In the case of Bradley to Georgetown it's been our determination that on the same day that the report is delivered to me it would be released to the public. I have said it will be at least a month after I receive that report before I make a determination, in consultation with my colleagues, as to whether I approve that site and recommend it to cabinet for approval or whether I would go the route of saying that there should be a hearing and if an Environmental Hearing Board should be constituted to do so or a hearing such as Doctor Solandt. Presumably we'll follow the same method in the site for northwestern Ontario.

I imagine when we get the report we will make it public and before I make my final decision there will be a chance for reaction to it. When we've had that reaction I'll decide whether there should be a hearing or whether I should recommend to cabinet to get on with it.

The report from Hydro will include an environmental impact statement; social, economic data; public reaction and so on; and the comments of the ministers. I think the same thing—at least, that's what will happen in the case of that site selection programme.

Mr. Stokes: Having regard for Design for Development?

Hon. Mr. McKeough: Having regard for Design for Development? Yes, certainly that would have gone into the selection of the original 11 sites. Although what's happened now of course, is, that we have gone beyond those original sites. Certainly that will be part of the impact because Treasury, Economics and Intergovernmental Affairs will be making their views known and forcibly so.

Mr. Chairman: The member for Grey-Bruce.

Mr. E. Sargent (Grey-Bruce): Mr. Chairman, as the member for the area abutting the Grey-Bruce-Douglas Point area, there is naturally great concern in my area against the nuclear programme regardless of the boom in the economy that people are so excited about but it is a boomerang in effect. It's working in the very opposite way for a lot of the industry in the area. It's a false economy we are looking at in this area.

Naturally, as a lone voice in this Legislature, I've tried to convey my lone opposition to nuclear power and the great threat it poses to our people, bearing in mind, as I've said before, a one per cent leak can kill hundreds of thousands of people. A case in point is when there was a leak in London, England, some years ago and for 100 miles downwind the next morning all the cows were found dead in the fields because of a leak in nuclear power.

The prevailing winds at Douglas Point are westerly and so my whole area is affected seriously by the potential danger. The minister grins like a dog making love to a football when I talk about these things.

Hon. Mr. Grossman: Do you want to explain that?

Mr. Sargent: He knows what I am talking about, that's all I care about, and that's the way he looks some times. I think sometimes, Mr. Chairman, his credibility is taxed by the fact that he would do some streaking in the House himself when he talks about his great knowledge of nuclear power and its threat.

The people who wrote the book "Poison Power" show how much this government, this Hydro, this minister care about the threat of nuclear power. I am concerned about things like the fact, I repeat again, that we have had a leak there, we have had a million-dollar mistake, by these people who are specialists in this field. We have had to build huts to protect people against radiation, and we are closing up parks because of radiation, and now the crops are going to be suffering from radiation from nuclear power plants.

I understand, Mr. Minister, that all of your employees in Douglas Point wear geiger counters. Is that a fact?

Hon. Mr. McKeough: Dosimeters.

Mr. Sargent: They are to measure radiation, are they?

Hon. Mr. McKeough: Right.

Mr. Sargent: You had to ask your advisers whether that is true or not. You didn't know that. You as the minister—

Hon. Mr. McKeough: You as the local member would know; you would have seen it when you have been there.

Mr. Sargent: I have never been there. I think if I were to go there I would be in one hell of a battle to tell these people what I think of them, because of what is going on in the area of the vested interests, Mr. Chairman. This government and this minister are in the biggest ball game in the world. We are not talking about millions of dollars, we are talking about thousands of millions in the $15 billion programme in nuclear power. We need it like we need a hole in the head.

This government is almost bankrupt. We are paying $2.5 million a day in interest on our debenture debt. Now we are embarked on a programme that is going to increase our debenture debt. We are going to be paying $5 million a day on a debt we owe—$5 million a day—and he continues as the sole authority on nuclear power. He is committing us to a $15 billion programme—that is one thousand, five hundred million dollars he is committing us to—and he is a man who doesn't know the difference between a one per cent return on investment and an 11 per cent return on investment. He is a great financial brain.

I would like to ask you, Mr. Minister, are you shipping plutonium to France now?

Hon. Mr. McKeough: No.

Mr. Sargent: When did you quit?

Mr. J. F. Foulds (Port Arthur): Your wife wants to know that, doesn't she?

Hon. Mr. McKeough: There was one shipment, apparently, several years ago.

Mr. Sargent: You have ceased shipping plutonium to France? Where are you shipping it?

Hon. Mr. McKeough: It is being stored.

Mr. Sargent: You have been storing it? Where are you storing it?

Hon. Mr. McKeough: We would be very glad to show it to you if you would like to come either to Pickering—

Mr. Sargent: I am asking you; I don't want to be shown. I am asking you.

Hon. Mr. McKeough: It is there. We would love to show it to you at Pickering.

Mr. Sargent: Where?

Hon. Mr. McKeough: Pickering.

Mr. Sargent: Pickering? How far from Pickering are you storing it?

Hon. Mr. McKeough: Right there.

Mr. Sargent: How deep are you storing it?

Hon. Mr. McKeough: How deep? It is right there at the plant. You ought to come down and see it.

Mr. Sargent: I am asking you how deep are you storing it?

Hon. Mr. McKeough: I don't know how deep it is. It is right in the plant.

Mr. Sargent: What do you figure the radiation life of that is?

Hon. Mr. McKeough: Oh, many years.

Mr. Sargent: Is that 100,000 years or 100 years? How long?

Hon. Mr. McKeough: Well my mind doesn't go much beyond that. Whether it is 100,000 or 200,000 years I honestly don't know.

Mr. Sargent: You are the sole authority that people can talk to, and the boss of energy. Will you tell me what will happen to this country if we were under attack, when one of these plants contains enough power of 10 Hiroshima bombs, above ground? They are sitting targets for attack. What will we do in the case of an attack?

Interjections by hon. members.

Mr. Sargent: There is no obvious answer. Mr. Minister, I want to tell you something. When you became the minister of this department I thought I would get intelligent about this big subject. I don't know too much about the guts of nuclear power but I know this much, that you don't know anything about it; that's how much I know about it.

Interjection by an hon. member.

Mr. Sargent: I certainly do. As a matter of fact, I am worried about the fact that you have this control to spend $15 billion of our money and you don't know where in the hell you are going—and neither do your people. We have enough energy up in that north country—we have millions of lakes storing power— to give us hydro forever in this country. Right now we have a 15 per cent cushion.

Interjection by an hon. member.

Mr. Sargent: Don't you laugh when I am talking. I know what I am talking about in this area. We have a 15 per cent cushion in power, and here you are breaking trails for the world in nuclear power. You are mortgaging us for 100 years because you are breaking trails. You are bankrupt.

You said right now you are going to call in the private sector to give them a piece of the action. And we know from your record what that means. We know what that means, buddy.

In effect, Mr. Chairman, he says it is good Tory philosophy to give our friends a piece of the action. I want to tell the minister that this hydro is owned by the people, not by him or by Hydro.

For 68 years we have owned this facility, and you are going to break it up and give your friends, a consortium of GE, Westinghouse and all American-controlled corporations, a piece of the action. Well, I don't buy it. And you haven't named me yet one Canadian company that is going to have a piece of the action, because there aren't any Canadian companies left; they are all American-controlled.

I get so mad because you sit there behind a façade because you people happen to be winners. You are sitting there because you won the election, and you have the right to plunder and pay one guy $1,000 or $2,000 a day to give you advice on legal affairs. And we have the shipment of radioactive materials in an aircraft with one stewardess. Well, I am fed up with it.

I am getting into very technical business now, Mr. Chairman, but I want to say that in our area we are now facing an impact

study of about $22 million that that nuclear power programme is bringing to my area. And the biggest thing that has happened is that you have offered to give them $250,000 in the interim to look after immediate needs. You know what they are saying to you? They are saying to you, "Shove it. We don't want it. Let's sit down and talk some facts." I don't think there is any chance of talking any facts with you people, because you'll do what the hell you want to anyway.

Take over, somebody else.

Mr. Chairman: The hon. member for High Park.

Mr. M. Shulman (High Park): Very briefly, Mr. Chairman, I would ask the minister what is being done with the radioactive waste that is being produced in Pickering?

Hon. Mr. McKeough: As briefly and as colourfully?

Mr. Shulman: I will try not to be quite as colourful.

Hon. Mr. McKeough: The waste is being stored at Pickering. It is not the size of this room. It looks like a gorgeous swimming pool, something like the hon. member himself might have. It is 27 feet deep. It is a beautiful—

Mr. Cassidy: Do you hold parties beside the pool?

Hon. Mr. McKeough: You could. It is a beautiful blue colour. There is no question that in the longer run—you know, people talk about it enveloping the earth, with the amount of waste there is. But it will be years, I guess, many years before that pool is full. There is no question that there was a point when we were selling the plutonium and there was a plutonium credit, which lowered the cost of the power—not that much but it was a factor. I think this is something that AECL are concerned about and working on—Hydro are as well—and at some point there will be a breakthrough and the waste will be re-used or—and I'm high over my head—in some way will be deactivated or neutralized.

It is not the most serious problem we have, but I think it is obviously of some concern to all concerned.

In the longer run, one of the other kinds of reactors, other than Candu, which AECL are talking about—and they would like to build a prototype—would actually re-use that waste.

Mr. Sargent: Why don't you sit down? You don't know what you are talking about.

Hon. Mr. McKeough: That's a step that may well come but the member's concerned and I am somewhat concerned too. At this moment I don't think there's a problem, but at some point, sure.

An hon. member: We don't know.

Mr. Shulman: It is my understanding that some of that material has been trucked away from Pickering. Is that correct?

Hon. Mr. McKeough: The very low level wastes are trucked to Bruce.

Mr. Shulman: That's the point I am driving at. I am not so much worried about what's sitting at Pickering as I am worried about what is being trucked. What happens if somewhere between Pickering and Bruce there's a car accident?

Hon. Mr. McKeough: What we are talking about taking to Bruce is rags, papers, stuff that has been contaminated at a very low level.

What would happen if somebody ran into it? I think nothing.

Mr. Shulman: Is the minister familiar with the accident that took place last month on Delta Airlines in the United States where an equivalent amount of similarly radioactive material exposed some 900 people to—

Mr. Sargent: One hundred and fifty people.

Mr. Shulman: One hundred and fifty were on the plane and another 750 at the various places where they stopped. It is my understanding, and I stand to be corrected, that this material is sufficiently radioactive that if there was an auto accident or a highway accident that there would be a very serious hazard. If I am incorrect, I would like to be so advised.

Hon. Mr. McKeough: I don't know, but I am advised that there would not be a problem if there were an accident. I am not familiar with the Delta Airlines case but I would be glad to look into both those things.

Mr. Sargent: Who are your advisers now? Who are your advisers?

Mr. Chairman: Order, please. The hon. member for High Park still has the floor.

Mr. Shulman: How is the material transported? In what type of tanker—container?

Mr. Sargent: A big black limousine.

Hon. Mr. McKeough: I'm sorry I don't know about this. They are put in drums, taken in a closed truck. There are no precautions—no police escort or anything, as far as I know.

Mr. Shulman: I would just suggest to the minister that perhaps the system being used is not the best.

Hon. Mr. McKeough: It is not secure enough?

Mr. Shulman: Not safe enough.

Mr. Sargent: You know that.

Hon. Mr. McKeough: We had better take a look at it.

Mr. Shulman: All right. There is another thing I want to ask you about. Up at Bruce Point, you will recall that during the construction period the American workers were being paid a higher rate than the Canadians. Is that still in force or is everyone paid the same now?

Hon. Mr. McKeough: I am afraid I don't know the answer to that question.

Mr. Shulman: Would you inquire for me?

Hon. Mr. McKeough: Yes, I will.

Mr. Shulman: Is there any storage of radioactive wastes taking place anywhere else than at Pickering at the present time?

Hon. Mr. McKeough: Each of the reactors has its own storage bay. Douglas Point has its, MPD has its. At each of the reactors, there is a storage bay. There will be a storage bay built at Bruce for the Bruce waste as well.

Mr. Shulman: Has a test of the down water from Pickering been made as to radioactivity?

Hon. Mr. McKeough: The waste is continually checked. The effect on the water is monitored by both the Ministry of the Environment and the Ministry of Natural Resources. They are into that act, as well as the Ministry of Health. If I can back up to the previous question, the transportation of the waste is regulated by the Atomic Energy Control Board. They are the safety arm, as you know.

Mr. Shulman: In your testing of the water on the lake, have you found that radioactivity is getting into that water?

Hon. Mr. McKeough: Not to my knowledge. So far as I know, all that's happened is that there are more fish than ever before. I have a note that says it is less than one per cent of the allowed level. As the member is aware, there is radioactivity in this room. I don't know what the allowed level is as a discharge. It would be set by AECB—

An hon. member: That's right—

Hon. Mr. McKeough: —after consultation with the health people and everybody else. The discharge of Pickering is less than one per cent of the allowed level.

Mr. Shulman: What is the effect on the fish of your cooling towers or the heated water coming into the lake? I know you have more fish, but what is happening to the natural fish that should be there? Are they persisting or are they dying out?

Hon. Mr. McKeough: No. Bigger and better – according to Environment.

Interjection by an hon. member.

Hon. Mr. McKeough: I'll state here frankly that there is a difference of opinion between some people on this subject – not yet entirely resolved. The Ministry of the Environment who we would say are the people who are best equipped to determine the problem or otherwise are satisfied.

This doesn't just apply to Pickering by the way. This applies equally to Nanticoke, it applies to Pickering or to any of the stations on the lakes. I am told there have been no discernible problems at all. When I say that the fish are bigger and better, that is what the Ministry of the Environment tells me and I have heard other people say that.

But I should be honest with you. There are people in some of the departments who think that there are problems. The Ministry of the Environment are the people responsible for checking and who soon will be responsible for the assessment of the environmental impact statement – they are satisfied.

Mr. Chairman: Vote 1801 and 1802 carried?

Mr. I. Deans (Wentworth): Mr. Chairman, I wonder if before you carry your vote I might interrupt the proceedings to—

Mr. Chairman: The hon. member for Wentworth.

Mr. Deans: Thank you. I have the pleasure of introducing a group that is here to-

night – and I know that everyone will want to meet them. I am sorry that my friend the member for Hamilton Mountain (Mr. J. R. Smith) isn't with us; I know he is busy. But there is a group in the gallery from Hamilton-Mountain NDP Riding Association visiting the Legislature.

Mr. Chairman: The hon. member for, er, Ottawa Centre.

Mr. Cassidy: You fellows have a terrible time remembering what riding I am from. It is Ottawa Centre.

Hon. Mr. Grossman: I will tell the hon. member that he is not the member for the Island–

Mr. Cassidy: You know if the Premier insists on getting it wrong, I will start talking about him as the member for Peel North and the Hyatt House and then we will be even–

An hon member: Dirty.

Mr. Cassidy: Mr. Chairman, I don't want to make a long statement here–and I hope the minister comes back to his seat very quickly – because I have already made a statement on the Arnprior dam in this Legislature during the course of the Throne debate. I suspect that the minister or his people have had a look at it and have reviewed some of the major points in that speech. Rather than go through that speech at length again I want to talk with the minister about some of these things, since we have not yet had an occasion in public to discuss and seek to reason together about this particular project.

If I can remind the House very briefly, in that speech, which was fairly long, I pointed out that the Arnprior dam was now estimated to cost about $82 million; that its power output had been reduced; that people in the area–the farmers in particular–are extraordinarily upset at the flooding that would be produced; that there is now evidence that the dam will not totally cure erosion problems on the Madawaska River; and that there is very clear evidence that the Hydro-Electric Commission never at any time devoted any intensive energy or time or studies to seeking alternatives to the problems along the Madawaska River which could be achieved at less cost and to the satisfaction of the local community.

Moreover, I pointed out in that speech that Hydro's programme of public participation or involvement was a sham – was worthless–in fact was less than worthless, and it worked very badly. I pointed out the conflict of interest that existed between C.A. Pitts Ltd., the contractor, and Acres, the consulting engineer on the site, and there were a few other comments as well.

Since making that speech, Mr. Chairman, I have prepared and presented to the Ontario Energy Board a brief about this particular project asking them to review the Arnprior dam because it seemed to raise some very serious questions about the management practices of Ontario Hydro on major projects.

The Energy Board considered that carefully and decided not to go into it, basically because the Arnprior dam as a specific project was outside its terms of reference from the ministry. They felt that although the questions of management decision-making were important and of interest, inevitably they would get deeply enmeshed in specific questions related to that particular project, which was not in their terms of reference. Taking that against their desire to look into the way Hydro was carrying out its management responsibilities, and in view of the fact that they wanted to get on to their study of the future rate policy of Hydro, they had to pass that by the board and decided to forego it after receiving my brief and statements by the Hydro counsel, Mr. Genest, and the commission counsel, Mr. Macaulay, into the record.

Mr. Chairman, perhaps I can start by directing a question to the minister, arising out of a speech that he gave to the Toronto branch of the Engineering Institute of Canada in April, just a month ago today in fact. In that speech the minister urged very strongly that Hydro carry out a policy of openness. He said among other things that openness is telling the public as much as possible as soon as possible. "I am for openness," said the minister. That was specifically related to the purchasing policy of Hydro. However, I'd like to ask the minister whether his advocacy of openness extended to other operations of Ontario Hydro as well?

Hon. Mr. McKeough: My remarks were connected with tendering procedures.

Mr. Cassidy: Does the minister feel that Hydro should be open in other things that it does or only in the area of tendering procedures?

Hon. Mr. McKeough: I was just discussing tendering.

Mr. Cassidy: I am asking the Minister of Energy a question now. Does he feel Hydro should be open?

Hon. Mr. McKeough: Well, what does the member specifically mean?

Mr. Cassidy: The minister gave a number of definitions of openness, which he said was difficult to define. He compared it to the difference between making love to one's wife and one's mistress. Perhaps he, therefore, has something to offer the House about openness. It seems to me that it means, according to the minister, telling the public as much as possible as soon as possible. Does he believe in that, as far as Hydro is concerned?

Hon. Mr. McKeough: Yes, obviously.

Mr. Cassidy: Can the minister then explain why he refused for a period of weeks to give to this Legislature the engineering feasibility report on the Arnprior dam?

Hon. Mr. McKeough: Because it was an internal document.

Mr. Cassidy: If the minister believes that Hydro should tell the public as much as possible as soon as possible, can he explain why he stops short at internal documents when they are of interest and relevance to the public?

Hon. Mr. McKeough: My colleague says it was as soon as possible.

Mr. Cassidy: That was definitely not as soon as possible.

Hon. Mr. McKeough: I've already said my reasons as quietly as possible, because we have given the member other documents. We gave the member the opportunity of meeting with the Hydro officials to discuss it as he requested. He was all set to accept that and bring the press along with him.

You really don't want the answers. Why kid everybody? You used the material that was given you previously for your own purposes. You picked stuff out of it for your own purposes. Why give you anything more?

Mr. Sargent: Well, don't you do that all the time?

Hon. Mr. McKeough: That's the answer. You know that surely.

Mr. Sargent: What's your game?

Mr. Cassidy: That's a very unacceptable answer, Mr. Chairman, in the Legislature, The minister is a member of this Legislature, I think.

Hon. Mr. McKeough: When the vice-chairman was to arrange a meeting in his office with the officials, does the member deny that he was going to arrive with the press?

Hon. Mr. Grossman: They always do.

Mr. Foulds: What is wrong with bringing the press?

Hon. Mr. McKeough: That's great openness.

Mr. Cassidy: I told—

Hon. Mr. McKeough: When you did that, there was no way we were going to try playing ball with your silly little games. Don't think that we're that dumb.

Mr. Cassidy: Oh, now wait a minute.

Hon. Mr. McKeough: Do you deny that you were going to bring the press?

Mr. Cassidy: I phoned the member for Simcoe Centre—I phoned the vice-chairman of Hydro—and told him that I wished to bring the press. He said he did not want the press—because Hydro was not acting in an open fashion on this. Now who is being open about this? I phoned the member.

Hon. Mr. McKeough: Do you deny that you wanted to bring the press to that meeting with the vice-chairman?

Mr. Foulds: What's wrong with bringing the press?

Mr. Cassidy: Of course, I do. That is openness, that the discussion is carried out in the open.

Mr. Sargent: What do you want to hide?

Hon. Mr. McKeough: Fine.

Mr. Cassidy: That's right.

Mr. E. R. Good (Waterloo North): You could use a little bit of press.

Mr. Sargent: You need all the help you can get.

Mr. Chairman: All right, let's get back to the vote. This has got nothing to do with the vote.

Mr. Cassidy: Oh, yes, it is on the vote, Mr. Chairman. It has been agreed between

the minister and myself that this would be the occasion on which we would discuss the Arnprior dam. This has been something which has been brought up a number of times.

Hon. Mr. McKeough: Let's just be honest; that's all I ask.

Mr. Cassidy: Sure, okay. Hydro was not open on that.

Mr. E. W. Martel (Sudbury East): Do you know the meaning of the word, Darcy?

Mr. Cassidy: The next question is this—can the minister explain his rather extraordinary behaviour when he went up to Arnprior some six or seven weeks after the initial appointment to go up there? Why does the minister not talk to the local people before making declarations to the press? And why was it that he went along with Hydro's decision to announce the letting of the second contract on the dam—to make the decision about the letting of that contract—before he had been to this long-awaited meeting?

Hon. Mr. McKeough: I suppose I could ask the member another question, put to him as simply. Why did the member indicate to the local people that there might be possibly a change in the government's mind?

Nobody had indicated that to anybody except the member. The member deliberately built up the local people that this was some sort of a tour on which decisions might be made. The government policy had not changed. I went up to have a look at it. I did not go up to change my mind. The government's decision had been made some time ago. I saw nothing that morning or heard nothing that morning, which would indicate to me that a change should be made.

The member, not for the area, I might say, but from some distance away, led people to believe that because he had interjected in this thing and issued all his press releases, the government might be changing their mind. You have that on your conscience. I don't.

Mr. Cassidy: This correspondence in the file between the minister and Reeve Stewart led Reeve Stewart to understand that there might be a change if the minister came up and had a look at it. The people in the area told me they understood that if the minister came up to the area, there was a chance that they could get him to change his mind. If they had been told that the minister had no intention of changing his mind, then there was obviously no reason for them to want to have the minister up there.

Can the minister explain why, when he was there, he held a press conference first, and why he laid this on everybody rather than listening to local people? What kind of openness is that?

Hon. Mr. McKeough: The member would be the expert on press conferences. I'm not.

Mr. Martel: You were the one who called it, weren't you?

Mr. Cassidy: Mr. Chairman, I would like to talk about the costs of the project. Would the minister confirm that the 1971 estimate of the project costs of $51,450,000 went to $60 million in March 1972, and to $82,742,000 some time in 1973?

Hon. Mr. McKeough: Today's figure—and all the contracts obviously haven't been let—comes to about $80 million, not $82 million, so far as I'm aware. We won't know that definitely until it's done. Yes, it is true. The costs, after the soil costs were completed, went from the $54 million figure to the $60-odd million figure.

Mr. Cassidy: And what is the current estimate of the total cost of the dam?

Hon. Mr. McKeough: Eighty million dollars.

Mr. Cassidy: I see. How does that relate to the $82 million estimate in the material which was given to me by Hydro and which was presumably prepared in the latter half of 1973?

Hon. Mr. McKeough: Seventy-eight million, plus or minus five per cent.

Mr. Cassidy: Mr. Chairman, can the minister say what the total amount of engineering costs will be on the project?

Hon. Mr. McKeough: I'm advised that it will be about 12 per cent of the cost.

Mr. Cassidy: About 12 per cent of the cost. In other words, a total of about $8 million. Is that correct?

Hon. Mr. McKeough: Correct.

Mr. Cassidy: Can the minister explain then why, in the memo for the Hydro commission, it states that the escalation in engineering costs between March 1972 and the latter part of 1973, is $4 million and that the engineering costs would remain at "approximately the same percentage of the total cost"? That's 20 per cent of the increase, rather than the

figure which the minister has given, and would indicate a total engineering cost of approximately $15 million to $16 million.

Hon. Mr. McKeough: The larger figure includes, as well as engineering, the field costs, supervision and so forth.

Mr. Cassidy: Well, in that case, can the minister give an estimate of the total amount that will be paid to Acres and firms employed by Acres for engineering, field supervision, and any other services that they provide to Hydro in connection with the Arnprior dam?

Hon. Mr. McKeough: I will get that figure.

Mr. Cassidy: Could we have the figure, or something similar to the figure, now, please?

Hon. Mr. McKeough: No, I haven't got it here.

Mr. Cassidy: Approximately what proportion of the total cost of the dam will be paid to Acres?

Hon. Mr. McKeough: I will get that for the member.

Mr. Cassidy: Can you give me some indication? Twelve per cent of the total cost will be for engineering. How much in addition will be paid for supervision on the services?

Hon. Mr. McKeough: I will get that figure for you.

Mr. Cassidy: When?

Hon. Mr. McKeough: As soon as we can.

Mr. Cassidy: Before the vote, Mr. Chairman?

Hon. Mr. McKeough: I don't know what—

Mr. Martel: We have to have the assurance that you can, because we can't get back at it.

Mr. Cassidy: Mr. Chairman, the cost of the dam, as the minister says, went from $60 million in March, 1972, to $80 million as of now. That is an escalation of 16 per cent. In fact, the estimate of $80 million was made last fall, and on that basis it is an escalation at an annual rate of something like 20 per cent. How much further escalation does the minister expect in the total cost of the dam before it is completed in 1976 or 1977?

Hon. Mr. McKeough: The $80 million estimate at this moment includes, so far as we know, an adequate provision for any further escalation, but heaven knows what happens to the cost of material and labour before all the contracts are let. The contracts which tenders were received for on Tuesday, I think, actually were slightly below the escalated costs which have been estimated – slightly below, nothing significant.

Mr. Cassidy: Can the minister tell us about the way in which Acres—

Hon. Mr. McKeough: The low tender is slightly below.

Mr. Cassidy: The low tender is slightly below. Can you give us those figures then, Mr. Chairman? For what the contract was for?

Hon. Mr. McKeough: No. They were about $1.1 million, $1.2 million. I am sorry I haven't got them. I had them here earlier, but I don't seem to have them now, but one figure is about $1.2 million. This is for a bridge, the new bridge. There were four tenders, as I recall.

Mr. Cassidy: Mr. Chairman, I want to put some facts on the record—

Hon. Mr. McKeough: They are in the Daily Commercial News, as a matter of fact, my colleague tells me.

Mr. Cassidy: I beg your pardon?

Hon. Mr. McKeough: They are in the Daily Commercial News, so as soon as we find them in the Commercial News we can give you the figures.

Mr. Cassidy: Okay. Has the minister been in touch with Hydro as regards its openness in tendering procedures? If so, what changes of policy has Hydro made beyond the rather embarrassed and individual cases?

Hon. Mr. McKeough: Hydro hasn't completed its review. It made a change at the first of the year, but it has not completed its review, to my knowledge. Or, if it has, it has not yet informed me, and I don't believe the staff or the board have completed their review of their tendering policies. It is on the front page of the Daily Commercial News.

Hon. Mr. Grossman: What happened to the hon. member for Ottawa Centre's research?

Mr. Cassidy: I read it every day.

Hon. Mr. McKeough: It says:

Ontario Hydro has followed up its first public tender opening with the second public opening of bids for the replacement of the existing two-lane county-road bridge across the Madawaska River.

Low bidder on the bridge to be built 2.5 miles upstream from Arnprior was Armbro Materials and Construction Ltd. of Brampton, which submitted a price of $1,165,032.

Other tenderers were W.D. Laflamme of Ottawa, $1,647,000; Robert McAlpine of Toronto, $1,417,000; and C. A. Pitts, at $1,371,000. The bids will be analysed. [and so on.]

Tenders for structural steel work on the bridge, which was bid separately, will be opened May 14.

Mr. Cassidy: Mr. Chairman, could the minister make a comment about the conflict of interest in having Acres continuing to assess tenders for which one of the companies that seems to be bidding consistently is C. A. Pitts – a company with which there is a direct corporate relation? And does he feel that this would be permissible within the government under its present conflict of interest regulations, if, for example, a deputy minister, making judgements about contracts in the Ministry of Government Services were to have that kind of corporate link with one of the firms bidding?

Mr. Evans: Will the hon. member for Ottawa Centre please note the firm in question didn't get that contract?

Hon. Mr. McKeough: I don't concede that there is a conflict of interest just because there happens to be a relationship with one person sitting on a board. I just don't concede that. The member does. The member has that kind of a mind. I don't.

Mr. Cassidy: Well, Mr. Chairman, I point to the minister, in case he hadn't noticed, that the Premier himself is now saying there would be a conflict of interest for the former Premier, Mr. Robarts, to take a position in the Algonquin Forest Authority if he doesn't give up his directorships in the forest industry.

Hon. Mr. Grossman: I don't think he said that.

Mr. Cassidy: In other words, boardroom links are an important cause of conflict of interest as far as that government is concerned, except when it comes to the Minister of Energy. What has happened to the Minister of Energy's concern and sensitivity to conflict of interest, which he showed so markedly when he resigned his seat in the cabinet a couple of years ago? Why is he so insensitive now?

Mr. Chairman: Is the member for Ottawa Centre finished?

Mr. Cassidy: I wanted an answer from the minister, Mr. Chairman.

Mr. Chairman: Well, apparently he is not answering.

Mr. Cassidy: Can the minister give an answer on that question of conflict of interest, please?

Hon. Mr. McKeough: I don't concede that there is. Mr. Cooper, as I understand it, wrote to the member. He doesn't accept this; we debate this at great length.

Mr. Cooper has suggested that if the member said it outside the House, he would have something more to say about it. I notice the member hasn't been quite as explicit outside the House as he chooses to be here.

Mr. Cooper sits on the board of Acres Ltd. It is not Acres Ltd. that is involved here; it is a subsidiary company, which is Acres Consulting Ltd. The member sees a conflict of interest. Quite frankly, I don't.

Mr. Cassidy: Well, I just think the minister is wrong. I would point out to the minister that at the time the total cost of the project was estimated at $60 million, the value of the White Lake road bridge was estimated at $600,000. Now, if the White Lake road bridge has come in on a bid of $1,167,000, and if the minister says that is below his people's estimates in Hydro of what it ought to cost, does that not suggest that the value of this total project will now go to something over $100 million?

Hon. Mr. McKeough: I am not aware of what the member is referring to, but I am informed that the estimate of Acres was $60,000 more than the low tender.

Mr. Cassidy: Well, I am just pointing out, Mr. Chairman, that the development engineering report prepared for Hydro specifically says that the White Lake road bridge would cost $600,000 out of a total cost of $60 million.

Hon. Mr. McKeough: Are those the 1972 figures?

Mr. Cassidy: Those are the 1972 figures. If you wanted to escalate it, as it is escalated here, to $76 million, there would be an increase of 10.8 per cent, raising that to $670,000 from $600,000. In other words, the bridge has come in at something like half a million dollars over the estimate which was made on this document, dated May, 1972.

Mr. Chairman, can the minister give us a cost per kilowatt-hour of power generated by the new dam on the estimated number of kilowatt-hours to be generated annually?

Hon. Mr. McKeough: The number of kilowatts that are going to be generated there will be about the same, for example, as are being generated at Lower Notch. The member would like to confuse peaking power with base load power.

The member will not accept the fact Hydro has stated on a number of occasions, at Arnprior—and the member doesn't accept this—that the cost of the power generated from Arnprior, if that were the only consideration, is not economical. The cost of the erosion control is not economical. Taking the two things together, we have power which it makes sense to produce. As for the erosion problem, while there is no guarantee—nothing can be certain—the erosion problem will be cured.

If you put the two things together, if you want to assign the cost of $40 million to the generation of power and $40 million to the erosion problem, then the $40 million for power would make sense. And so would the $40 million—and these are rounded figures—for the erosion problem. But the member will not look at it that way.

The member also refuses to concede what is Hydro's fundamental basis, that if Arnprior is not proceeded with, there would be a reduction in the power production upstream, which would cost money. The hon. member will not concede that. He has twisted those figures every time—and he goes on twisting them.

Mr. Cassidy: I see that the minister has at last looked at the details of the case in a way it is clear that the cabinet did not do, nor did Hydro, at the time the original decisions were made. I would suggest, Mr. Chairman, that if challenged in private, rather than in the position where he had to defend bad decisions made by Hydro and the cabinet, that the minister would not be talking as he is talking right now.

Mr. Chairman, my question was, what is the cost per kilowatt hour of the peaking power generated by the proposed Arnprior dam?

Hon. Mr. McKeough: A thousand dollars a kilowatt, roughly.

Mr. Cassidy: What is the cost per kilowatt hour of the power actually to be generated?

Hon. Mr. McKeough: Well, I haven't got that in front of me. We can work that out.

Mr. Cassidy: Well, I have worked it out at about 70 mills per kilowatt-hour. Mr. Chairman, how does that compare with alternative costs from peaking plants actually operated by Hydro?

Hon. Mr. McKeough: I don't have those kinds of comparisons here in front of me.

Mr. Cassidy: Does the minister not feel that he should, in order to reach—

Hon. Mr. McKeough: We had them when they were examined; they would have been available to the hon. member, completely available, when he made the request and the offer was made for him to meet with whoever he wanted from Hydro, to sit down with them and ask all the questions he wanted. The hon. member chose not to have that meeting, by bringing the press. Now, I am not going to have those figures here tonight, obviously; we'll keep track of the question and—

Mr. Cassidy: Wait a minute. The minister had better get his facts correct. I asked if I could bring the press in order to have an open meeting, and that was refused. The meeting was subsequently held. At the meeting, the president of Hydro refused to give me further information and the chief of this particular project threatened me with legal action. It seems to me that Hydro was hardly as co-operative as the minister tries to pretend.

Mr. Martel: In fact, the minister is misleading the House.

Mr. Cassidy: That's right.

Hon. Mr. McKeough: I am not misleading the House. When has the hon. member ever been in the minister's office and had the press there? That's not the way we do business. We all know that. The hon. member wanted to bring the press to the meeting with Hydro—

Mr. Martel: He doesn't deny that.

Hon. Mr. McKeough: He knows better than that.

Mr. Cassidy: I asked, I was refused, and I went in without the press—

Mr. Chairman: There is repetition here. We have been through this—

Mr. Cassidy: No, we are having—

Interjections by hon. members.

Mr. Chairman: What you are saying now about the meeting with Hydro is what you first said. So it's repetition at the present time.

Mr. Cassidy: I have a number of questions—

Mr. Chairman: Well, go ahead with your other questions then.

Mr. Evans: Mr. Chairman, just to straighten this out: The hon. member for Ottawa Centre asked me to hold a meeting which he wanted with representatives of Ontario Hydro, which I agreed to. Then he tried to arrange to bring the press, which I refused to have.

Mr. S. Lewis (Scarborough West): Why not? Why shouldn't the members of the press be there?

Mr. Evans: There was a meeting in my office, which he requested and I arranged. When he decided to bring the press, I told him that there would be no meeting if the press were there.

Mr. Lewis: But you had a subsequent meeting, right?

Mr. Evans: Yes, but there was no press there.

Interjections by hon. members.

Mr. Evans: Certainly the press shouldn't be there. It had to be a meeting—

Interjections by hon. members.

Mr. Evans: I arranged the meeting, and I decided who would be there. I had all the officials there—

Mr. Lewis: You decided?

Mr. Sargent: You decided?

Mr. Evans: By the way, he wouldn't even accept the information that was given to him. He even said that he was threatened. This is not the case. I can tell you exactly what was said. It was said by one of the men who was at that meeting—

Mr. Foulds: Who was that?

Mr. Evans: He said:

> You have continually misinterpreted the data we have provided to you to the extent that you appear to be deliberately making false statements on the subject. If you were a professional engineer, there there might be reasons for charging you with unethical conduct.

Now, this was stated by Mr. Morison.

Interjection by an hon. member.

Mr. Cassidy: Mr. Chairman—

Mr. Evans: That is exactly what was said.

Mr. Cassidy: Can the hon. member for Simcoe Centre say how he knows the exact wording of that particular statement by Mr. Morison?

Mr. Evans: Yes, I took it down at the time.

Mr. Lewis: You took it down? You took that down?

Mr. Foulds: You can't even write.

Mr. Lewis: My colleague is right.

Mr. Chairman: Order. Order.

Mr. Cassidy: Did the vice-chairman of Hydro have a tape recorder running during that meeting then?

Mr. Evans: I don't need one.

Mr. Cassidy: What other comments was the vice-chairman taking down at that time? Were you bugging the meeting?

Hon. Mr. Grossman: Do you want the transcript?

Mr. Cassidy: I find this quite incredible, Mr. Chairman.

Mr. Lewis: Mr. Chairman, on a point of order. Was he taping the meeting?

Mr. Evans: Mr. Chairman, no sir, I did not tape it.

Mr. Lewis: Were there shorthand notes taken of the meeting?

Mr. Evans: Just by myself.

Mr. Lewis: Just by yourself? Good.

Mr. Cassidy: I find it most extraordinary. I would have thought the vice-chairman of Hydro had better things to do, like listening to the points that were made, studying the briefs that were presented, seeking to answer the information that was provided.

If you want the information on the record, Mr. Chairman, a meeting was arranged and then cancelled by Hydro before there was any question about whether or not the press should come.

Interjection by an hon. member.

Mr. Cassidy: It was cancelled at the last minute. Subsequently, after very great difficulty, a second meeting was held.

Hon. Mr. McKeough: Why was it cancelled?

Mr. Cassidy: Why? Because the vice-chairman suddenly discovered he had to go to a Tory caucus, which he could have predicted

Hon. Mr. McKeough: It was cancelled because the member was bringing the press.

Mr. Cassidy: That is not true.

Hon. Mr. McKeough: That is so!

Mr. Cassidy: That is not true!

Hon. Mr. McKeough: Certainly it is!

Mr. Cassidy: It is not true. The meeting was arranged by the chairman of Hydro, Mr. Gathercole, and was then cancelled because of reasons which I do not accept.

Hon. Mr. McKeough: Because you were bringing the press—

Mr. Cassidy: It was cancelled because Hydro was indulging in a coverup.

Mr. Lewis: That's right.

Interjections by hon. members.

Mr. Cassidy: Mr. Chairman, what has ever been done by Hydro to compare the peaking operation on the Madawaska with the cost of building new peaking operations on other hydraulic sites? I know that the minister will accept there are a number of hydraulic sites that are available within the province.

Hon. Mr. McKeough: Some of them, as is my recollection, undoubtedly would be cheaper.

Mr. Cassidy. Oh.

Hon. Mr. McKeough: Not cheaper than correcting the erosion and using that height of dam as a credit against the power. No, it would not be.

Mr. Cassidy: And what studies were ever done to see about the costs of using certain hydraulic facilities in the southern part of the province for peaking purposes, and shifting their baseload to other facilities?

Hon. Mr. McKeough: Those studies are made from time to time, but the point is that a certain amount of money was going to have to be spent — in round figures $40 million — half the cost of the power facility at Arnprior. That $40 million needed to be spent in any case. Add the $40 million for the peaking power on top of that — it made a great deal of sense to handle both at the same time.

Mr. Cassidy: Let's talk about the erosion, then, for a bit. What was the degree of erosion? Could the minister tell us, and could he give us chapter and verse of the studies that he did?

Hon. Mr. McKeough: No, the hon. member has that in reports that have been given to him.

Mr. Cassidy: No, I do not, Mr. Chairman. There is no adequate study — no real study of the erosion along the river. The best study made was completed after the fact in a report by Hedlin Menzies, I believe, which indicated that over a period of time that there had been slides. But this study does not indicate to what degree the slides took place, and how much they were caused by Hydro's operations, and to what degree they were natural.

Mr. Sargent: The hon. member for Ottawa Centre is flogging a dead horse!

Mr. Lewis: You may be right, but you work at it.

Mr. Chairman: Can the minister—

Mr. Cassidy: The minister is looking for figures and information.

Mr. Lewis: The hon. member for Renfrew South is losing his seat over this. It's worth working at.

Mr. Cassidy: You're back, eh?

Mr. P. J. Yakabuski (Renfrew South): The hon. member may be losing his seat, but not me.

Mr. Cassidy: You're going to run against me! I may be acclaimed.

Hon. W. A. Stewart (Minister of Agriculture and Food): Is the hon. member for Ottawa Centre going to run in the Island or in Ottawa Centre?

Mr. Cassidy: The hon. member for Middlesex North (Mr. Stewart) is not going to run at all!

Mr. D. C. MacDonald (York South): Why don't you deal with the issue instead of this extraneous stuff?

Mr. Cassidy: That's right, yes.

Mr. Chairman: Order, please. Order. Does the minister have an answer to the last question?

Interjections by hon. members.

Mr. Cassidy: I didn't hear the answer, Mr. Chairman.

Mr. Chairman: The minister says he has no answer at the present time to the last question.

Mr. Cassidy: He has no answer at the present time? I'll tell you why—

Hon. Mr. McKeough: I haven't got a paper to table in front of the hon. member. I remember seeing pictures three years ago of observations starting to be made of erosion, on the river-bank's instability. Those began in 1969 and are still continuing. The hon. member for Ottawa Centre has been there on a number of occasions. He can see what's happening.

Mr. Cassidy: Mr. Chairman, I would point out that two or three photographs appeared in every report on the Arnprior dam to prove the question of erosion. They were photographs of poor Mrs. Jones's cottage, or something like that – three or four – but at no time has there been a serious study of erosion.

To my knowledge at no time has there been a model of how the erosion would continue. To my knowledge there has been, at no time, any kind of an effort to predict what would happen to the banks of the river in that particular 10-mile stretch if Hydro's river regime continued as it was then going, or in some other way. This was never done. Hydro simply panicked for the sake of the hon. member for Renfrew South and went ahead and built the dam.

Mr. Yakabuski: That's a lot of nonsense. Why don't you grow up and mature?

Mr. Cassidy: Good God!

Mr. Lewis: The only thing growing up has done for the hon. member for Renfrew South is to introduce senility! Now, you just sit down! The debate is over here.

Mr. Chairman: Order.

Mr. Cassidy: Can the minister say—

Mr. Chairman: What right does the hon. member for Scarborough West think he has to tell the hon. member for Renfrew South that he has to sit down?

Mr. Lewis: Why not? I was concerned about him violating the rules.

Mr. Martel: You are supposed to be impartial when in that chair.

Hon. Mr. Grossman: Apologize to the Chair!

Mr. Lewis: I apologize to the Chair. I'm not at all sure why, but I apologize. If it makes people feel better, I will apologize to the House.

Mr. MacDonald: It's a therapeutic exercise for the Provincial Secretary for Resources Development.

Mr. Chairman: Order. The hon. member for Ottawa Centre has the floor.

Mr. Cassidy: There's not much point to what's being said here, Mr. Chairman. Can the minister say to what degree erosion will be reduced by obliterating this 10-mile valley and building a lake in it instead?

Hon. Mr. McKeough: Nobody can say with complete certainty, but it's my understanding that hopefully all of it.

Mr. Cassidy: Will the minister not agree that if all of the erosion were to be eliminated, then the 30 or 40 miles of bank of the new lake ought to be available for all kinds of recreational uses?

Hon. Mr. McKeough: Yes.

Mr. Cassidy: Is he not aware that all of the reports that have been produced, from the Santos committee on, have indicated that most of the banks of the new lake will not be suitable for recreational purposes?

Hon. Mr. McKeough: That's not correct; the member is aware of the report that was prepared on what recreation will be possible. Some will, some won't. There's a very extensive study done on the recreational as-

pects, and it certainly doesn't say there won't be recreation.

Mr. Cassidy: Mr. Chairman, the minister is aware that he's got all sorts of other responsibilities—he flies off to England to sell nuclear reactors, and we wish him well on that. I have been concerned, as one member of this House, with this particular project. I possibly know more about it than the minister.

I tell the minister and I tell his officials that they are not aware of the fact that the reports all say that most of those river banks or those lake banks will not be suited for recreation. That is that.

You will not be able to put cottages there because of septic tank problems. You will not be able to have intensive recreation because of the instability of the banks. You will not be able to have power boats on the lake because of the effect they may have on the edge of the banks. Because of cattle grazing nearby you will have difficulties with agriculture alongside that lake.

The reports all indicate severe concern about what might happen with the lake banks if the level of the new lake is not regulated with exceptional severity to prevent any substantial raising and lowering. By substantial I mean more than about 6 in.

I tell the minister that because his own people probably haven't told him. There is a tendency within Hydro to try and tell the people at the top what they want to hear. and that's why Hydro got itself into this mess.

Hon. Mr. McKeough: That's not my reading of the Hedlin Menzies report; and I don't think it's a fair reading of the report. I'll read those recommendations and we'll see whether they would come to the conclusion the member has come to in terms of the recreational potential:

(a) In some areas slides can be expected after impoundment. Based on preliminary information, certain areas should not be developed for two or three years, until the reservoir slopes have stabilized. In other areas development could proceed sooner.

(b) The rising water will inundate much of the area presently forested. Reforestation programmes will be required to achieve a reasonable tree cover, especially for areas intended for recreation purposes.

(c) The Amprior Reservoir will function, biologically, more like a river than a lake. Initially it will experience a high production of fish which will eventually decline as stabilization occurs over the next decade. At that time management techniques will be required.

(d) The major recreation activities should be day-use and camping, each located in areas recommended to be suitable for them. Cottage use should be permitted but restricted to the upper reaches of the reservoir as designated on map 13. Demand for recreational facilities will increase radically over the next decade. However, the amount of land available for development for recreational purposes is close to anticipated demand. Careful staging of development will therefore be required. The programme for the development of recreation areas should be carried out under provincial, municipal and private auspices. Provincial involvement may be required in light of the divided jurisdiction found in the area.

(g) The clay soils above the reservoir will result in a certain measure of turbidity in the water, especially in the proposed beach areas. To counteract this, it will be necessary to deposit sufficient sand to create both a sandy dry beach and a sandy wet beach. Moreover, swimming areas will have to be developed in such a manner that they can compensate for the two-foot drawdown. This will mean a wet beach of sufficient width will be required from the low water mark.

If that adds up to non-recreational use to the member, then that is the member's interpretation; and that, I say with great respect, is the way he twisted the facts on this thing right from the very beginning.

Mr. Cassidy: That means that approximately 30 miles of the banks of the reservoir will not be suitable for cottages? We agree on that? Because only the upper region should be—

Mr. Yakabuski: Right, absolutely.

Hon. Mr. McKeough: You read the report.

Mr. Cassidy: Okay. I am just putting it on the record.

Secondly, in areas of day camping and so on, it's suggested they will not really be suitable for that until there is tree cover in the area, and that that will not exist until the new trees are grown or brought to the site: If they are brought to the site that will be a great expense. If they are grown in that climate it takes something over half a century to grow deciduous trees of any substantial size; and therefore you will change the nature of the tree cover in the area.

Even if you grow conifers it will take somewhere between 10 and 20 years to get adequate tree cover.

The thing, Mr. Chairman, is that we have the reservoir on the Ottawa River, behind power developments, just a mile or two away, where there was enormous recreational potential, which could be developed for sums in the hundreds of thousands of dollars, and not for sums in the tens of millions as is being proposed right here.

The report also states that the beaches will only be suitable for recreational day use if sand is brought in and if they are constructed in a very artful way in order to accommodate the two-foot draw-downs of water which may be expected on the reservoir.

It sure doesn't sound like the kind of place where I would like to go with my kids, Mr. Chairman. I don't know about the minister. I don't know whether he would accept that kind of thing for himself and his children or whether he is happy to have some other kind of privileged retreat to go to.

The Hedlin-Menzies report also—because it wasn't asked to; because it wasn't within the brief given it by Hydro—never looked into the recreational potential of the Madawaska Valley as it stands right now. It is a very pretty valley. You could do a heck of a lot with that valley for half a million dollars. You could provide swimming facilities, boating facilities, hiking facilities, cross-country skiing facilities and all sorts of things like that—and at far less expense and far more appeal now than the kind of arrangements that are being made. Could the minister comment on that?

Hon. Mr. McKeough: We already have. The valley couldn't be used now. The power would be run at Stewartville—the water goes up and down— it is too dangerous—the fluctuation is too great. Obviously it is not in public ownership.

This is not going to be perfect recreation overnight, but it will be much better than what is there now. That is the tenor of that report. It is an improvement on what is there now. It offers I think something which can be developed—not overnight, but over a period of time and which is possible and which will be good. The member won't concede that. What is the point of my commenting?

The fact is, it is a good report. It has been well accepted in the area. It is an improvement, I would think. The area was looked at as an improvement over what is there now. It is not an improvement perhaps from what was there before any of the dams were built, I concede that point. But the first dams having been built, this is an improvement over the existing situation.

Mr. Cassidy: The point is, Mr. Chairman, it is an $80 million improvement when perhaps a half-million dollars—

Hon. Mr. McKeough: No—it is not an $80 million improvement, and the member knows this.

Mr. Cassidy: That is what is being spent.

Hon. Mr. McKeough: That is nonsense.

Mr. Cassidy: For $80 million you can get this particular park project which may be available in 10 or 15 years with adequate trees and beaches. For half a million dollars or less—God knows, we don't know the alternatives because they were never studied—you could have had good recreational facilities in the valley as it stood.

Could the minister give details of any significant look made by Hydro to reduce erosion by cheaper means than this dam—which he now says is costing at least $40 million as far as the erosion factor is concerned?

Hon. Mr. McKeough: I have just answered that question. The member has those figures in front of him. There is a whole combination of things.

You would have to build a large weir; you would have to undertake the diversionary work, which was there anyway. As I recall the figures which were given to us at the policy field, there would be as much flooding with the exception I think of something like—it was less than 100 acres as I recall. As much land would be lost in the remedial works, with the exception of about 100 acres, as there would be by producing the power. As I recall, the figures were the difference between 325 and 320—but I am not sure of that. And that information has all been made available to the member as well.

Mr. Cassidy: Mr. Chairman, the information that Hydro had was, I must say, the most juvenile kind of reasoning that I have seen. Does the minister not feel that senior policy people will at least raise their eyebrows when they are told that the alternative to buying land on both sides of the river or buying easements was not considered satisfactory if in fact it was even possible to obtain all the river frontage? Doesn't the

minister and his people realize that Hydro has got that kind of power?

Hon. Mr. McKeough: Mr. Chairman. I am not an engineer nor were the policy field when they considered this on a number of occasions, nor were the cabinet engineers.

The member considers us to be juvenile. If that is what you feel then so be it. We were convinced on listening to the advice of engineers and people who had studied this that the right decisions were being made. The member doesn't agree. I don't know what more I can add.

Mr. Cassidy: Can the minister then explain what happened in cabinet between Dec. 22, 1971 and June of the following year, during which time Hydro itself washed its hands of the project on the grounds that the cost had escalated up to from $51 million to about $60 million? At that point, it passed responsibility for the project on to cabinet. What did cabinet and the policy field do at that time in order to lead them to decide that they would actually go ahead and build the project, since clearly Hydro had decided that it wanted quit of it?

Hon. Mr. McKeough: The project went from Hydro to the minister in January and it was announced here in the House in June. I don't recall why it didn't go through the process more quickly.

I assume that from January it went to various ministries for comment before it ultimately went to the policy field and before it went from the policy field to the cabinet. I would think that would be a normal length of time, six months on something of that magnitude, to receive comments from the various ministries of the government.

Mr. Cassidy: The point, Mr. Chairman, is that the ministry had a responsibility. It seems clear, even after Hydro had said "No, we don't want it, but if the ministry wants it for political reasons they can go ahead," that there was no thorough study by the ministry. At that point, the superministry was a very rudimentary body. Maybe that's one of the reasons.

Hon. Mr. McKeough: It would not have been a study by a superministry or by the secretariat. The study would have been done by the respective ministries. Environment, Natural Resources and Agriculture and Food, I think, had a look at it, as I recall. Those responses would have been co-ordinated in a secretarial way by the secretariat and brought back to the secretariat.

Mr. Cassidy: I am nearing an end to these questions now, Mr. Chairman. I know that my leader (Mr. Lewis) wants to get in and possibly other members as well.

Can the minister tell me what he would consider to be numerous complaints about a government project?

Hon. Mr. McKeough: I have no idea.

Mr. Cassidy: Is he aware that the rationale offered by Hydro for this project was "numerous complaints," but that its own listing of complaints says only three or four came from the area now being flooded?

Hon. Mr. McKeough: I'm aware, of course, that the person who has to some extent stirred up a great deal of the concern and complaints now emanating from Arnprior is a well-known politician of another party who sat through meetings and never has questioned the project.

Mr. Cassidy: You are saying that Reeve Stewart could have started to question the project earlier. Is that right?

Hon. Mr. McKeough: He sits on the committee.

Mr. Cassidy: Yes. Is the minister aware that the committee was muzzled and was told not to pass any information out?

I agree with the minister that it would have been nice if people in the area had started a complaint sooner, but I don't think that excuses the government, when it's drawn to the government's attention that a bad and costly mistake has been made, for trying to cover up and simply bulling ahead with the project. Was the minister aware that only three or four complaints were recorded for the 10-mile stretch where all this erosion was alleged to be taking place?

Hon. Mr. McKeough: I don't recall how many there were.

Mr. Cassidy: I am telling the minister that. Can he tell us why it was that the cabinet concluded with Hydro that the public's environmental concern would inevitably lead to a limited operation to the Stewartville dam upstream, if this $80-million project was not built, and on what evidence?

Hon. Mr. McKeough: Well, I do have some information on the number of complaints. The implication that the member has made is that they're only minor complaints, and I think that's misleading. Hydro owns part of the shoreline, something like four miles near Stewartville, where the banks are

steep and where a number of slides have taken place over the years. It's highly unlikely that Hydro is going to complain to Hydro. In the period between the start of peaking at Stewartville, from 1969 to 1971 inclusive, at least 70 complaints expressed concern over the Madawaska River water level changes and erosion by letters or petition.

A letter from the reeve of McNab township in October, 1969, supported strongly by the Ottawa Valley Travel Council, expressed great concern by cottagers, businessmen, tourists, and farmers in the area of the mouth of the Madawaska River, due to river level changes. Certainly, I recall being at a meeting in Ottawa – I don't know just when it was – and hearing about the damage that was being caused and what was going to be done about it. I think it is very fair to say that there was a great deal more than three or four complaints, which is the implication of the member.

Mr. Cassidy: What I was pointing out is that his own log of complaints, which it gave in the document which testified for them – I'm just looking for it here – records approximately 60 or 70 complaints. I grant that. But those complaints come from the area upstream of Stewartville, they come from the town of Arnprior proper, below where the new dam is being built, and only three or four come from the actual place which the dam will flood.

But the chairman of Hydro, Mr. Gathercole, received a petition about the erosion problem; he received it, though, either 10 minutes before or 10 minutes after the announcement of the dam, and it was very obviously a put-up job.

Mr. Chairman: The member for Grey-Bruce – pardon me, is this on the Arnprior dam?

Mr. Sargent: Go ahead.

Mr. Lewis: Yes, I would like a few words on the Arnprior dam. I want to say to the minister that, ironically, while this exchange was taking place between the member for Ottawa Centre and the minister, I was signing a letter to Neil McMurtrie, the director of property of Ontario Hydro. I don't suppose I should indicate in advance what I am sending out, but it is a rather friendly letter. It comes as a result of a meeting which Mr. McMurtrie and others had with my colleague from Windsor West (Mr. Bounsall), the member for Huron (Mr. Riddell), the member for Huron-Bruce and myself about transmission corridors in western Ontario. I was rather struck–and maybe I should be more cautious or more circumspect in the way I put it – by the way in which Neil McMurtrie had grasped some of the sensitivities of the people involved, and some of the absurdities of previous Hydro policy, and I felt a little better in my own mind, at any event, that what would happen in the future would not be as bloody-minded as what had happened in the past. I thought I would write Neil McMurtrie and tell him that, since I sat and talked to him for two or 2½ hours in the company of others, it was a matter of some relief that there was such a man in any event who at least knew what had gone wrong, whether or not Hydro is capable of altering it I don't know.

As I listened to the debate tonight, I thought back to that meeting. I experienced the same kind of frustration, which my colleague from Ottawa Centre experiences in knowing that the blunderbuss absurdity of the way in which Hydro dealt with the farmers in western Ontario–now finally perhaps to be corrected by open public hearings –is precisely parallel to the fashion, largely illegitimate and without reason, in which Hydro dealt with the Arnprior dam, not to mention the head office building in downtown Toronto.

There was a period in Hydro's history, somewhere between 1969 and 1972, where the management was positively unstable about financial and development decisions. They were wrong, they were ill-considered, they were ill-advised.

The Minister of Energy is a pretty able fellow. Most of us understand and recognize that. He is capable of weaving an artful web. And what you people have done now, in the last few months after the extraordinary attack from the member for Ottawa Centre, is to begin to construct the tissue of explanation for the Arnprior dam somehow to give legitimacy to a public project which is absurd, which is a waste of money, which should never be built, and which the minister, were he not afraid of opening up a Pandora's box, would repudiate. But he won't do that. Instead, choosing a bit from Hedlin Menzies, choosing a bit from recollection, choosing a bit from what was put to him by Hydro people, the Minister of Energy is trying to indicate that somehow the Arnprior dam is a legitimate decision.

Well, the minister knows it wasn't legitimate; the minister knows it was made during the period when George Gathercole and

company had no more interest in financial, developmental or environmental factors than any of us who are laymen in this House.

It is only now, before the Ontario Energy Board, that Hydro is beginning to get the kind of scrupulous examination as to its behaviour that it should have had over the last five to 10 years. It's only with the select committee of inquiry of this Legislature that Hydro was revealed for the absurd, administrative structure that it was in the dealings with the building in downtown Toronto. And I must therefore say to the minister that those of us on this side of the House, recognizing that there is perhaps some small fragment of sanity being imposed on Hydro now for the first time in the last 20 years, nonetheless, we still have to take into account the kinds of decisions which were made in the past. And the minister has an $80 million folly in Arnprior.

I'll tell you, Mr. Chairman, what offends us on this side of the House. What offends us is that the way in which the government uses those $80 million in an underdeveloped and neglected area of Ontario.

For that $80 million, Mr. Chairman, the government could bring health services to Pembroke, to Barry's Bay, to Renfrew, to Smiths Falls. For that $80 million, it could give by way of housing and the industrial park what the mayor of Smiths Falls has been asking. For that $80 million, it could develop tourist and recreational facilities for Renfrew, Lanark, Stormont, Glengarry, Prescott and Russell. For that $80 million, it could buy Lemoine Point park a hundred times over. But instead it is using the $80 million to construct a dam as a monument to a Tory office holder without any rationale or justification at all which won't provide a single permanent job. Am I right in that?

Mr. Cassidy: That's right. Not a single job.

Mr. Lewis: Not a single job, for an investment of $80 million in an absurd project.

Boy, has the minister his priorities screwed up. Forgive me for putting it that way. If ever there was an economic decision which was wrong-headed, it's this decision. And this government has no right to do that to the people of eastern Ontario.

It has no right to play so capriciously with their needs; taking $80 million that might be used in other areas. And don't tell me it's Hydro money. Hydro borrows on the credit of the Province of Ontario. We underwrite everything they do.

And if this government wanted to earmark that kind of money for something else, it could well do it. It is folly to make that kind of investment in a part of the province which is crying for economic and social support; not create a single job; not guarantee recreational facilities; not even guarantee to solve the erosion problems.

Had Hydro looked at the alternatives in advance, in a way which was a reflection of skill, of expertise, of professional knowledge, we'd have no case. We'd have no case. There would at least be a sense of why the dam was chosen, but Hydro never did that. Hydro never did that. It's only in the last few months that Hydro's been falling all over itself trying to justify what is essentially illegitimate.

So the minister says, "Okay, you're socialists over there and I'm a Tory minister and we have a basic difference of opinion on this kind of thing; and I'm not going to move and it's obvious that you people with your prejudices aren't going to move."

Well, let me tell the minister, I may have my differences of opinion with the member for Renfrew North. Isn't that where he comes from? Renfrew South or Renfrew North, they are relatively the same both as members and as areas.

I may have my differences with the member for Renfrew South. I may even regret what I say about him occasionally, public and privately. I may even think that he is more creditable than I will admit, but let me tell the member for Renfrew South something through the Chair, he is not worth $80 million. No sir. He may be worth 80 cents, but he is not worth an investment of $80 million.

This government would be better losing the seat than exercising that kind of absurdity to sustain—

Mr. Sargent: He sure knows how to hurt a guy.

Mr. Lewis: —to sustain the present member for Renfrew South. There is no other reason for that project. There is no other reason for that project, and he knows it and I know it. And as a matter of fact—

Interjections by hon. members.

Mr. Yakabuski: The people of Renfrew South know better.

Mr. Lewis: They have re-elected the member time and time again — until 1975 my friend, until 1975. The bell tolls for him. He

is going to be going over the dam. That's what is going to happen to him in 1975.

Interjections by hon. members.

Mr. Lewis: And let me tell him that we won't be there to fish him out.

Interjections by hon. members.

Mr. Lewis: I want to come back to the minister for a moment. There is an enormous frustration in dealing with this project for all of us; frustration because Hydro was wrong; because it never made the studies; because it's backing and filling frantically now; because it was in an era where Hydro did nothing right.

I understand that the minister can't reject it. He knows what a run of admissions of failure are in the Pandora's box that he would open. I understand that. But to pretend to justify it is not worthy of him—it is not worthy of him.

Let him just concede that the member for Ottawa Centre has identified a project which is entirely unreasonable; that you're throwing $80 million down the drain; that you are therefore distorting the economic priorities of Ontario again and we're going to put that on the record every time we visit the eastern part of this province.

It's not just the arrogance toward the farmers. It's not just the inquiry officer and the refusal even to publish his report—which the Minister of the Environment (Mr. W. Newman) has refused. It's not just the way in which you've manhandled the whole project. It's your refusal to use $80 million for the benefit of the people of the entire eastern region and your insistence on using it to build a folly, providing no jobs, as a testament to Tory frailty in eastern Ontario.

It's all over. This project is doing you in in eastern Ontario.

Mr. Yakabuski: I thought you were beyond that. I thought you had more beyond that.

Mr. Lewis: Beyond what? Beyond identifying what I know to be true?

Mr. Yakabuski: Just as he's destroyed his credibility, you're destroying your own credibility by defending the member for Ottawa Centre, who has destroyed his by his ridiculous statements.

Mr. Lewis: Mr. Chairman, I regard this as heckling. I feel I should tell you and I think you should call him to order.

Interjections by hon. members.

Mr. Lewis: Let me tell you something Mr. Chairman, for the member for Renfrew South. Everywhere I travel in eastern Ontario, from Pembroke to Renfrew to Lanark, to any of the little towns in Prescott, Russell and to Hawkesbury and I ask the people of the area who their member is they tell me their member is from Ottawa Centre. Because this MPP is representing all of eastern Ontario as you Tories cop out, as you abdicate your responsibility.

Interjections by hon. members.

Mr. Lewis: Sure. Are you apoplectic tonight?

Interjection by an hon. member.

An hon. member: You should know.

Mr. Lewis: We are the very essence of moderation over here—cultivated, thoughtful moderation.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): You had better speak to the member for Riverdale (Mr. Renwick).

Mr. Lewis: Well, the member for Riverdale is the quintessence.

Mr. Cassidy: You know, the Minister of Energy has just told the member for Renfrew South to shut up.

Mr. Lewis: Yes, as a matter of fact—

Mr. Yakabuski: That is not what he said.

Mr. Lewis: Is that not what he said?

Mr. Yakabuski: He was telling me a little story about your credibility.

Mr. Lewis: I know the minister. I know I can't draw the Minister of Energy into this as we couldn't draw him into the Elliot Lake situation. He's put his views on the record. I wanted to support my colleague from Ottawa Centre in his views so that it's widely known what we intend to say up and down eastern Ontario.

Hon. Mr. McKeough: Perhaps the member would allow me to make one correction to what he has said. The Minister of the Environment has not refused to release that report.

Mr. Cassidy: Yes, he did.

Hon. Mr. McKeough: When?

Mr. Lewis: I asked him if he'd received the report of the entire outfit.

Mr. Cassidy: In the Legislature a couple of weeks ago.

Hon. Mr. McKeough: He had not, at that point, considered it. To my certain knowledge, and I saw it, he signed the report on Monday and signed his decision on Monday, which was substantially the same as the inquiry officer's report. It was his intention to release both the inquiry officer's report and his decision, I thought, either Tuesday or Wednesday. Now, whether it has been done or not, I don't know. I asked the hon. member for Renfrew South whether he has seen it, and nobody here seems to know whether it has been released or not.

Mr. Lewis: No, it has not been released as yet.

Hon. Mr. McKeough: Well then, it isn't out yet but it is signed and he has made his decision, which substantiates the opinion of the inquiry officer.

Mr. Lewis: Well, that is fine. It would be interesting to see the report.

Mr. Chairman: The hon. member for Grey-Bruce.

Mr. Sargent: Mr. Chairman, the minister has been talking about selling uranium. The whole world is the market for Canadian production. The minister says that two big sales are awaiting Ottawa's approval. Mr. Minister, how do you ship the uranium?

Hon. Mr. McKeough: In drums. It is called "yellow cake." It is processed at Port Hope and shipped from there.

Mr. Sargent: By military escort?

Hon. Mr. McKeough: No.

Mr. Sargent: By plane? How do you ship it?

Hon. Mr. McKeough: There is nothing harmful about it. I assume it goes by truck to Montreal or Toronto and goes by ship to the UK, if that is where it is going.

Mr. Sargent: Well, I would suggest that it goes by aircraft.

Hon. Mr. McKeough: I doubt it very much.

Mr. Sargent: I want to get it on the record that the only way people seem to have any idea about what is going on in this area, is by what they read in the papers. No one in your industry will tell the people what is going on.

It has come to light in the States that about a million shipments, in 1973, of radioactive material were by aircraft, and that tens of thousands of radioactive packages were carried on Canadian planes annually. The odds of you getting on a plane today that is carrying radioactive material, is 50 per cent. One in two planes will carry it.

Putting on the record what is involved and what the hon. member for High Park was trying to get across to the minister was the concern of the ordinary people. In one Delta Airlines flight, 150 people were involved, and one of the stewardesses said, "I panicked because all I could think of was my unborn baby." The doctors recommended that she undergo a clinical abortion because she, as a stewardess, was sitting in the rear of the plane above the hold carrying the baggage.

The point I am trying to make is that in Canada, the standards are that no one individual should be exposed to more than 500 milligrams a year. What would happen on a flight like this is that they would be subject to 12,000 milligrams, or 25 times the dose they should get.

Hon. Mr. McKeough: Who are?

Mr. Sargent: Anyone travelling in the stewardesses' position on a plane carrying radioactive materials such as uranium. They are getting 24 times the ordinary dose of radioactivity. The point I am trying to make is this—we don't have anyone in your ministry telling people what is involved regarding the dangers of nuclear power in the Province of Ontario. We have heard some dialogue tonight about how you bury the spent fuel rods. You bury them 27 ft.

I understand you are talking about Pickering and Douglas Point. I want to say to you that I am concerned about the fact that everyone in Douglas Point has to wear a geiger counter. These things are about the size of a package of cigarettes. You can carry one in your shirt pocket. You learn that in the presence of radiation it will give off a small sound that will tip you off. The frequency of the chirps of this machine indicates the intensity of the radiation.

Also, if you are carrying this on board a flight and you start hearing a lot of noise from your small geiger counter, you know that you are probably in an area you don't want to stay in too long. In other words, the experts in the United States say that if you are flying, sit in a forward position, not over the baggage compartment of a plane,

because stewardesses or stewards or whatever they are called, will not be able to bear children if they are on any prolonged flights and one out of two flights is carrying radioactive material. To make people aware that this is a dangerous product, the airlines and you, Mr. Minister, should be letting the people know exactly what they are involved with.

You mentioned that you shipped one shipment of plutonium to France. Plutonium is the world's most dangerous explosive component for bombs. We don't know what you are shipping it for, whether it is for peaceful purposes or not, but I suggest that you were shipping a lot more than one shipment of plutonium to France and it was going going without military escort. However, there seems to be no saturation point at all and no interest in talking about the dangers of radiation.

But what I want to get to the minister before I sit down is this. You have been talking about the fact that you have been secretly negotiating with a group of firms, now down to five, to give them some of the $600 million heavy water project of Hydro. I think it has come to the point now that you tell the people of Ontario and you tell me now who those five firms are. You told me you didn't know but you would get the information. I would suggest to you, sir, that the people of Ontario, in an issue of such magnitude as this, are stockholders of Hydro and they should know exactly what's going on. Before you take this action, there should be a referendum among the people of the Province of Ontario before they give up this big piece of their property.

I don't know if I will get an answer here or not, Mr. Minister, I want to say this to you: That if we were to get a list of the donors to the Conservative Party election fund, I will bet everything I have in my life tonight that the major donors will be the suppliers of Hydro, and you know I am not mistaken very much when I say this. How do you raise $5 million for an election campaign if it is not through things like this?

Mr. Chairman: Order, please.

Mr. Sargent: I want to say this.

Mr. Chairman: Order, please.

Mr. Sargent: All right, we are dealing with these estimates and I want to say this, that I give no quarter to the minister, no quarter at all. I don't think that he's in the same ball game as the US president; he'll never have to go on the air and say, "No, I am not a crook." I don't think you are a crook. But I want to say this, that I feel that you are in a crooked political party, that you have—

Mr. Chairman: Order, please.

Mr. Sargent: Just a moment.

Hon. Mr. Winkler: That is part of your muck-raking mind – your muck-raking mind and the whole gang of you are—

Mr. Sargent: These are my opinions. These are my opinions and I have a right to say them in this House.

Hon. Mr. Winkler: That is something you can't prove and you know it.

Mr. Chairman: Order, please. We are on votes 1801 and 1802.

Mr. Sargent: I want to tell you, Mr. Chairman, that I can't find out from this minister who these five big firms are that are forming this consortium to take over Hydro.

Mr. Lewis: You don't deserve such help. You have enough of a majority without it.

Mr. Sargent: You know it is nice to be sitting there as winners all the time. Fat cats who pull all the strings—

Mr. Chairman: Order, please.

Mr. Sargent: I am going to sit down shortly, if you will tell me now who the five firms are that control this consortium with which you are going to share Hydro.

Hon. Mr. McKeough: Mr. Chairman, I indicated that I have been informed informally that as I understood it there were some 30 or 40 inquiries following Hydro's proposal call—

Mr. Sargent: It was 60 the last time you talked.

Hon. Mr. McKeough: I've forgotten how many there were. I was told this—I don't know that I have even seen this. There were meetings held I think with 20 or 30 different people who were interested. There were phone calls and so on, and finally there were five firm proposals which have been received. They have not yet been determined by the Hydro board any more than the information as to who bids on a project is released until the tenders are opened. I don't think Hydro are under any obligation to release who have put in these five proposals. In any case they have not informed me, and my answer is the same as it was a

week ago that I, at this moment, cannot inform the member.

Mr. Sargent: All right then. Can you tell the House, are they Canadian-controlled firms?

Hon. Mr. McKeough: I don't know.

Mr. Sargent: You, the man in charge of energy for the Province of Ontario, do not know whom we are talking about sharing a piece of Hydro with? You don't know who they are?

Hon. Mr. McKeough: We are not talking about that; the member knows it.

Mr. Sargent: Pardon me?

Hon. Mr. McKeough: The member knows that—we are not talking about that.

Mr. Sargent: Well, that's what I'm talking about.

Mr. Ewen: Sit down.

Mr. Sargent: Who said that?

Mr. B. Gilbertson (Algoma): He did.

Mr. Chairman: Maybe the member for Grey-Bruce—

Mr. Sargent: Mr. Chairman, this is a very vital issue and I want to stand here and find out the information. The minister has the audacity to say that he does not know who Hydro is going to share $600 million of our property with—whether they are Canadian firms or not Canadian firms. That is most important and I think that I should have an answer from him.

Hon. Mr. McKeough: I can't give the member an answer because I don't know.

Mr. Sargent: When can the minister find out?

Hon. Mr. McKeough: When Hydro have reached their decision undoubtedly, as I indicated the other—

Mr. Sargent: I don't give a damn when Hydro will find out. The minister will find out tomorrow and let us know.

Mr. Chairman: Order.

Mr. Sargent: Mr. Chairman, the basic principle of this House is that members equally have the same rights. That minister has no more right to control all the money he does and to hide things like that involving $600 million—

Mr. Chairman: It seems to the chairman that when the hon. member for Grey-Bruce had the floor the last time, these are the same questions he asked of the minister.

Mr. Sargent: I know, Mr. Chairman, you are so right.

Mr. Chairman: But you can't—

Mr. Sargent: But I won't take that kind of con from anybody.

Mr. Chairman: It's repetition all the way along.

Mr. Sargent: He should know. If he doesn't know, he shouldn't have that job. You know that.

Mr. Chairman: Yes, but I am saying that last time you had the opportunity to speak, and that was tonight, you asked the minister the same questions you are asking him now.

Mr. Sargent: I know, he doesn't answer me. And that is my responsibility as a member of the opposition.

Mr. Chairman: I am just warning you that you can't be repetitious.

Mr. Sargent: That's why we get paid extra money to be over here because—but it is a shocking thing to me, Mr. Chairman, that that minister can sit there and say he doesn't know who we are going to see our $600 million with — whether it's American concerns or Canadian concerns. So I suggest to the minister that he get up off it and have those answers damned soon or he is going to have a lot of trouble.

Mr. Chairman: The member for Windsor West.

Mr. E. J. Bounsall (Windsor West): Yes, Mr. Chairman. As the minister probably knows, in the latter half of last year there was a Royal Society symposium in Ottawa on the topic of energy. Needless to say, in spite of the looming oil supply question, that Royal Society meeting discussion went well beyond the immediate questions of oil supply. It might be instructive just for a moment to indicate just how high-powered a meeting that one was. For membership in the Royal Society, you are invited to it. You have to be of international fame, or very strong national fame, within your own field, no matter what that is—physics, biochemistry, biology, and so on. At those Royal Society meetings, the members present papers and have discussions with people

whom they invite. People just can't go and send papers in and hope that they'll be discussed. Those are invited papers as well. So the whole tenor of the meeting is a very high-powered one and exceedingly wide-ranging.

I mention that because there were some figures that came forth there with which I wish to know if the Province of Ontario is in agreement. They indicated that by the end of this century for Canada nuclear and hydro electricity will account for 40 per cent of the total of all energy used, and currently we are around 20 per cent. Then for the year—

Hon. Mr. McKeough: What was that again?

Mr. Bounsall: It would be 40 per cent of the total of all—

Hon. Mr. McKeough: What would be 40 per cent?

Mr. Bounsall: No. All electric power including both hydro and nuclear, is 40 per cent for Canada. And for the year 2050, 90 per cent of Canada's energy consumption will be in the form of electricity. With Ontario being more industrialized than the rest of Canada, I would think that perhaps that figure would be a little higher in Ontario. I would like to know if the Ontario projections for Ontario are about in that same ball park.

Hon. Mr. McKeough: I don't think they would have been, as I recall the ACE figures of two years ago. One of the interesting things when people do this kind of forecasting is that they seem to end up, for the most part, showing the same share of the total energy market for electrical and petroleum as they presently have, although most of them would show a lesser share for water power and a greater share for coal.

I don't think that we officially would put the figure that high, at 40 per cent. The chairman of Hydro, however, on a couple of occasions has said a doubling, and I would think that within Hydro their best guess would be that electrical power by the year 2000 will be occupying that share of the total energy market. Mind you, a lot of things have to happen beyond that.

The 2050 figure? I don't know. It depends on the electric car, for one thing. It depends on a whole host of variables. I think you are really sticking your neck out then. But I wouldn't be surprised if the 2000 figure worked out to be that.

We had people there, by the way. The chairman of the Energy Board was there; I think the deputy minister was there. I think we had two or three people at that most interesting, as I recall it, Royal Society meeting.

Mr. Bounsall: Yes, most interesting and most stimulating, I would think. Well, I asked that because I wanted to know just how the Ontario figures might fit with the national figure. From what you can recall and what you know now, it matches for the year 2000. I am not too concerned about the year 2050 either, because there are too many variables that do come in to any sort of extrapolation that far away, while we are only 26 or 27 years away from the end of this century—

Hon. Mr. McKeough: If I may interject, I think I would agree with you about Ontario's figures: if Canada is 40 per cent, Ontario might well be projected to be 41 per cent or 42 per cent. We will probably use a little more electricity, because western Canada may well still be using a greater amount of gas and oil. Unless, of course, we find something in Hudson Bay or James Bay at some point.

But I think our figure for electrical energy is a little bit more than the country as a whole now, although Quebec uses more energy totally than we do.

Mr. Bounsall: Well, that has some implications.

One other thing that conference did—and I mentioned this very briefly before the supper hour—was it dwelt quite at length in a couple of its sessions on alternative sources of energy. It was a far-ranging discussion; they didn't restrict themselves to oil. They dwelt for quite a while on hydrogen.

Don't let me give the impression that I am sold entirely on hydrogen as the only alternative source of energy to the ones we are now using—petroleum products and electricity—but there are a couple of further points I'd like to make.

Before I do, I was rather disturbed before the supper hour, after I asked if the Ministry of Energy was engaging itself in research into further and other sources of energy, to hear you say no, you didn't have any plans for that in the immediate future.

In a sense, that is fair enough, if you meant you didn't have any plans to have a research facility built, called "Ministry of Energy Physical Research Plant No. 1" or what have you, in which you were, in fact,

as a ministry, directly engaged with your own individual personnel in actually carrying out the technical research.

I would agree with you. I wouldn't expect that to happen, if ever. But I am a little bit appalled and disturbed if the answer is no—and the Ontario Ministry of Energy is not doing anything through its funds to encourage research in alternate forms of energy.

There are two ways their research could easily be done in Ontario. One is through the Ontario Research Foundation, where a group could be gathered together, paid by this ministry, or perhaps paid by other means. But at the Ontario Research Foundation, the nucleus of a group could be formed, ready to work on various projects. As a scientist, the project I am most convinced of is in the hydrogen field, so that we could at least get in on the technological development side, where we are rapidly finding ourselves not owning any of it.

Alternatively, the Ministry of Energy could disperse research funds through grants to competent people in the field at our universities, or other research institutes, to take a look at other new forms of energy.

At that same Royal Society meeting, electrical power was talked about as being very expensive to transmit from one point to another and over long distances. Certainly—quite apart from the problems we have seen in southwestern Ontario over the purchase of the transmission rights of way—the transmission of that power is expensive over long distances. And, no doubt, one of the easiest ways that power can be transmitted is to put it into another form such as hydrogen by creating fuel cells.

Dr. Brian Conway, an internationally famous electrochemist at the University of Ottawa—he is sort of "the" electrochemist on the North American continent—was at that conference. He said that Hydro Quebec could save $1 million by the year 1980 by the use of fuel cells involving hydrogen. And this is simply by taking hydrogen and making electricity out of it.

In other words, hydrogen—used as a form of raw material and not in the conventional power plant design we have now—can be combined with oxygen to produce electricity. This is not just burning it per se and using it as an alternative to coal or nuclear power, but there is a way in which it can be combined. I am not an electrochemist, so I don't follow it exactly.

And Dr. Conway states that this is where the $1 million saving comes in, applied to remote areas to which hydrogen would be shipped with the use of these fuel cells generating electricity on site. This is estimated for 1980.

However, the reverse of that, to me, is even more intriguing. If by the year 2000, 40 per cent or slightly more, of our energy needs in Ontario are going to be supplied through electrical means, this means — and presumably this percentage will increase thereafter—that we shall have to have more nuclear generating stations than we have at present. It is becoming increasingly obvious that to have these stations located in populated areas of the province is going to meet with ever-increasing resistance.

So what would be more acceptable to the general population would be to have nuclear stations situated in remote areas of the province. The electrochemical method of producing hydrogen would be in operation at these sites, from which hydrogen would be shipped out. Hydrogen is much easier and cheaper to transmit than electricity, although it is slightly more expensive to produce at the source than electricity.

However, once you have the hydrogen, it is fairly inexpensively recreated in a fuel cell back to the electrical form. And that, I suggest, is going to be one of the feasible routes of getting the electric power needed in the Province of Ontario without having to have one of your various nuclear stations located in the centre of a populated area.

And when I say that, Mr. Minister, I am on the record in this House—in the Throne Speech debate—of saying that the Candu reactor is the safest reactor there is for producing electrical energy from nuclear power.

I have no hesitation as a scientist in praising that particular system. It is a safe one. It is almost, as far as I can see, free from the nut who might want to come in and sabotage it. It is virtually sabotage-free and could only be destroyed in terms of a direct hit in time of war, and if that occurs, then we are all in trouble anyway. If there is a war, we don't really have to worry about our nuclear stations, as it is probably going to be a nuclear war. We can discount a limited war that creates a nuclear problem because of our nuclear stations.

In operation, the Candu system is a good one. But there is still going to be increasing public resistance to more of these stations being built in the populated areas of our province.

Without going on into any more urging by me for you to get into hydrogen research,

which I feel very strongly you should do for a couple of reasons, I come to a question at this point. Do you have anyone or any group at all within your ministry charged with investigating or recommending alternative sources of energy and what actions might be taken in the area of alternative sources of energy?

Hon. Mr. McKeough: Yes.

Mr. Bounsall: How many do you have?

Hon. Mr. McKeough: Just one.

Mr. Bounsall: You just have one?

Hon. Mr. McKeough: And he certainly doesn't do that full-time. Hydro keeps an eye on it. We are attempting to keep an eye on the viability and otherwise of other forms of energy.

Mr. Bounsall: What are your plans to expand within the ministry?

Hon. Mr. McKeough: None.

Mr. Bounsall: Is this one person who spends part of his time within your ministry or within Hydro?

Hon. Mr. McKeough: No, full-time in our ministry.

Mr. Bounsall: Do you really think that is enough within Hydro with their having devised the Candu system?

Hon. Mr. McKeough: Yes. They spend more time at it and so does AECL and EMR. What we don't want to do is duplicate what other people are doing.

Mr. Bounsall: There is a danger here. There are only about 10 different groups, all of them small, conducting research in the area of alternative energy sources or hydrogen in the whole of Canada. With that small an input in this, I believe Canada is in danger of being shut out of the technology completely here. This is going to be developed anyway.

Let's forget about the fact that if we took a hand in it directly we could speed up this technology. Let's forget about that point. When that technology comes we are in great danger of not having developed or not owning any of that particular technology. We are going to have to buy it outside the country and bring it in at a greater cost to ourselves than what we would have to if we had got into that development ourselves. I think that is a disgrace, Mr. Minister.

Hon. Mr. McKeough: I don't want to argue with the member. This was the point that was being made by his colleague. You can say the same thing about solar energy or wind energy and geothermal energy. We just haven't the resources nor do we intend to acquire in the Ontario Ministry of Energy those kinds of resources to commit ourselves to that kind of research. It just isn't there.

Mr. Bounsall: What I am suggesting is that you should fight for funds in your ministry so that that is there, at least to make an investigation of that.

Hon. Mr. McKeough: That's what the Science Council is all about. That's what AECL is all about. That's what the national effort is all about—just what I have described. I suppose you are talking $5 million or $10 million to do any kind of a job without funding outside research. We don't think that is our job at this moment. It may change.

Mr. Bounsall: I hope it would change. As I said here today, the Province of Alberta spends around $4 million a year through the Alberta Research Foundation and we spend about half that.

Hon. Mr. McKeough: We have no gas which they have in great quantity.

An hon. member: Carried?

Mr. Bounsall: No, not carried. We spend about half that as a province.

Hon. Mr. McKeough: We are spending on Hydro about $12 million.

Mr. Chairman: Is there much more discussion on vote 1801?

Mr. Bounsall: I have points in another area as well on this, Mr. Chairman.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report progress and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, before I adjourn the House I think I would be somewhat remiss in my responsibilities to the members of the Legislature if I didn't inform

them that the great member for Dufferin-Simcoe is celebrating his 70th birthday.

Hon. W. A. Stewart (Minister of Agriculture and Food): He's been celebrating it all week.

Mr. J. R. Breithaupt (Kitchener): When was his birthday?

Hon. Mr. Winkler: I have just been informed he has been celebrating it all week; I am not sure about that. Nevertheless, as a senior member of the Legislature he has an outstanding record of 37 years of service and I think we might recognize that.

Mr. A. W. Downer (Dufferin-Simcoe): Mr. Speaker, through you I would like to express my appreciation to the House leader and to my colleagues and every member of this House for their good wishes and their hopes for my health and happiness, I suppose, for the future.

Hon. Mr. Stewart: And his return to the House.

Mr. Downer: And return to the House.

Mr. J. F. Foulds (Port Arthur): Some of us would not go as far as that.

Mr. Downer: If I had the time I would like to reminisce but this isn't the time. This is the time for adjournment.

Mr. D. C. MacDonald (York South): The member is right there.

Mr. Downer: This is a bit of a sad day as well as a glad day because when I arrived here in 1937 I sat beside George Doucett. I sat beside him for four years until I joined the army and today we pay tribute to his memory.

I would like to say that I have many memories of this House. This is the most exclusive club in Ontario—in Canada, really—and I enjoy belonging to it. I have a philosophy of life and with this I am going to close. I have a philosophy of life and this is it:

I would like to think when life is o'er
That I had filled a needed post
That here or there I paid my fare with
more than idle tale or boast
That I had taken gifts divine
The breath of life and manhood fine
And tried to use them now and then
In the service of my fellow men.

Thank you very much.

Hon. Mr. Winkler: Mr. Speaker, tomorrow we will return to the consideration of the estimates of the Ministry of Energy, to be followed by the Ministry of Agriculture and Food.

On Monday of next week, if the members opposite would care to jot down these numbers, we will return to the legislation programme and the bill numbers will be as follows: 25, 36, 34, 33, 14, 53, 44.

Should the House feel productive, I would think that about Thursday we might discuss the budget and on Friday of next week we would return to consideration of estimates.

Mr. J. E. Stokes (Thunder Bay): Budget only on Thursday?

Mr. Foulds: Excuse me, those were bill numbers, were they?

Hon. Mr. Winkler: Yes.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:35 o'clock, p.m.

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Friday, May 3, 1974

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LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, MAY 3, 1974

The House met at 10 o'clock, a.m.

Prayers.

Hon. D. R. Timbrell (Minister without Portfolio): Mr. Speaker, if I may I would like to draw to the attention of the members of the House the presence in the lower Speaker's gallery this morning of representatives of the students' council of the University of Windsor, whom I have met this morning and with whom I discussed the various youth programmes in that area.

Mr. E. M. Havrot (Timiskaming): Mr. Speaker, I am delighted to welcome students from the great riding of Timiskaming, eight students from the Savard Public School in Charleton, under the supervision of Mr. Wayne Minnett. Please welcome the great students from the great riding of Timiskaming.

Mr. Speaker: Statements by the ministry.

FILING LAND TRANSFER AGREEMENTS

Hon. A. K. Meen (Minister of Revenue): Mr. Speaker, over the past few days we have been made aware of a severe administrative difficulty encountered by the legal profession and their clients in meeting the time limits for notifying the Minister of Revenue of agreements executed prior to April 10, 1974, but which will not be registered until after May 15, 1974.

Both the Land Transfer Tax Act, 1974, as passed, and the proposed Land Speculation Tax Act, require that copies of such agreements be filed with the ministry before May 16 next. Toward the end of the recent postal strike, we received the first indications there would be problems meeting the deadline. The subsequent review of the extent and nature of the problems leads us to believe that it is not practical to maintain the deadline. In fact, we have concluded that the difficulties, together with the administrative problems for the ministry inherent in receiving, cataloguing, maintaining and reviewing the many thousands of such agreements that are in existence, justify the removal of the filing requirement.

Accordingly, I propose to introduce appropriate amendments to both Acts, removing the requirements that such agreements be filed with the ministry before May 16. It will remain necessary, however, that the fact that execution of such agreements took place prior to April 10, 1974, be established to my satisfaction at the time they are relied upon to avoid imposition of the new taxes as created by these Acts.

Mr. M. Shulman (High Park): Oh boy; is the minister ever going to have backdating!

Hon. Mr. Meen: I don't think so.

Mr. Speaker: The hon. Minister of Health.

Mr. S. Lewis (Scarborough West): There is nothing left of those bills.

Mr. J. A. Renwick (Riverdale): The postal strike is going to be a real boon for the lawyers.

Mr. Speaker: Order, please.

Mr. Lewis: The minister is bringing in the debate on the date that the federal budget will be coming forward in order to avoid public awareness.

Mr. Speaker: Order, please. The Minister of Health has a statement.

HOSPITAL WAGE CEILINGS

Hon. F. S. Miller (Minister of Health): I didn't want to speak when the member wasn't listening.

The Ministry of Health is concerned about the impact of the current inflation on hospitals and other related facilities in the province. Accordingly, certain increases will be considered. These increases, which will apply only to specific categories of cost and only to the extent to which increases are demonstrably necessary for each facility, will afford a measure of relief.

Adjustments will be considered for public hospitals and private hospitals in Ontario; rehabilitation and crippled children's centres; private psychiatric hospitals; children's mental health centres; and boards of health. Adjust-

ments will be considered in respect of wages, drugs and services.

Volume adjustments have already been dealt with in the budget and are unchanged by this announcement.

I will speak first of what can be described as forced costs. Funds will be made available to meet the additional costs of unemployment insurance, Workmen's Compensation and the Canada Pension Plan resulting from changes in legislation.

Next, under the heading of "Other Supplies and Expenses" we will consider what adjustments are necessary to meet some of the actual cost increases shown to have been sustained in the purchasing of major items such as fuel oil, food, medical supplies and the like.

Thirdly, wages and fringe benefits: because we want to maintain reasonably equitable wages for employees of hospitals and related facilities, the ministry is prepared to consider individual presentations which fully document the short-fall between the current budget approvals and the amounts deemed necessary to maintain equity. This applies particularly to those in the lower wage brackets. Each facility is being invited to submit detailed supplementary budget requests. The scope of these adjustments is comprehensive. In each case, I repeat that individual submissions will be required to form the basis of any adjustments.

Mr. Speaker: I recognize the member for Parkdale who has a group to introduce.

Mr. J. Dukszta (Parkdale): I would like to introduce pupils from a school in my riding St. Rita's Separate School, and Mrs. Grogan, who are sitting in the east gallery.

Mr. Speaker: Oral questions.

The member for Kitchener.

HOSPITAL WAGE CEILINGS

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, further to the statement of the Minister of Health: Since the minister's estimates are expected to follow those of the Ministry of Agriculture and Food in the fairly near future, can the minister advise us if there is any time limit with respect to these various adjustments so that the details will be fully available to the House in time for the presentation of the minister's estimates?

Hon. Mr. Miller: Mr. Speaker, I would suggest that the changes involved here will probably be the basis for supplementary estimates because they are not fully predictable at this point in time.

Mr. Speaker: The member for Wentworth.

Mr. I. Deans (Wentworth): A supplementary, Mr. Speaker: May I ask on the matter of wages and fringe benefits, wasn't this the purpose of the inquiry set up by the Minister of Labour (Mr. Guindon) and the Minister of Health about three months ago? Why is he now saying he will have individual representations when that should have been done over the last three months and a decision reached?

Hon. Mr. Miller: It's not that simple, Mr. Speaker, as I'm sure many members know. First of all, there are individual contracts available for negotiation at any point in time. It's not like the school system where contracts fall on a certain date. Secondly, the catchup for any given hospital may not—

Mr. Lewis: I like that term "catchup." He has taken it right out of the union files.

Hon. Mr. Miller: I've been brainwashed lately.

Mr. Lewis: He is doing very nicely; I'll give him a button to wear. In fact, we will give him a membership.

Hon. Mr. Miller: That was one of those unfortunate slips of the tongue that come sometimes from listening to CFRB.

Mr. D. C. MacDonald (York South): One certainly gets slips of the tongue there all right.

Hon. Mr. Miller: However, the problems are individual. The overall levels of salaries and the impact of constraints upon the hospitals still have to be assessed by the two committees set up and we hope that these will provide us with a firmer foundation for next year's estimates.

KRAUSS-MAFFEI SYSTEM

Mr. Breithaupt: A question of the Minister of Transportation and Communications: Can he confirm that the Urban Transportation Development Corp. has hired a public relations firm to attempt to improve the image of the Krauss-Maffei system? If so, who has been hired?

Hon. J. R. Rhodes (Minister of Transportation and Communications): No, Mr. Speaker, I cannot. I am not aware that any firm has

been hired. One may have been hired by the corporation but I haven't been advised of it.

Mr. Lewis: A supplementary: He would agree, of course, that he couldn't possibly do anything with the image of Krauss-Maffei even if a firm were hired.

Mr. Speaker: The member for Kitchener.

Mr. Breithaupt: A supplementary to that question: On the same line can the minister confirm or is he aware of any planned junket which is apparently to take place in the fall to take a group of perhaps other sceptical politicians, newsmen and businessmen to Munich to review this system? If so, can he advise us who will be paying for that trip?

Hon. Mr. Rhodes: Mr. Speaker, I am aware of it because I read it in the Globe and Mail this morning. That is the only information I have about such a planned junket, as the member calls it.

Mr. Speaker: The member for Ottawa Centre.

Mr. M. Cassidy (Ottawa Centre): I beg pardon of the member. I won't use the word junket but is not the reason the trip to Munich has been postponed from now until September, that Krauss-Maffei is having difficulties making the machine in its plants, which are comparable to the delays the minister is having at the Exhibition here in Toronto?

Hon. Mr. Rhodes: Mr. Speaker, as I said, I don't know about this supposed planned trip to Munich or whether or not it has been cancelled. According to the Globe and Mail there was one which has been put off. I don't know about that.

Mr. Lewis: A supplementary, Mr. Speaker: Does the minister know that Krauss-Maffei, in its plant in Germany, is having difficulty developing the computer specifications to meet the specifications set out in the contracts he has and that is yet a further reason for this continuing delay?

Hon. Mr. Rhodes: Mr. Speaker, my information is that that particular aspect of the development is moving along quite well.

Mr. Lewis: It is?

Hon. Mr. Rhodes: Yes.

Mr. Lewis: Why the delays then? What is wrong with the demonstration model?

Hon. Mr. Rhodes: I don't think there has been any—I have not at any time said anything about delaying the development of the technology and of the project which has been carried on in Munich. What I have said is I feel we have to do some redesigning and looking at the guideway construction and the costs involved. I want to make it very clear that I am talking about the guideways and the stations being developed at the CNE. I have not at any time said anything about cancellation of the project; that is coming from the member, not from me.

Mr. P. G. Givens (York-Forest Hill): A supplementary, Mr. Speaker: If that is so, what happened to the Krauss-Maffei system which we were told a year ago by the minister's predecessor was going to be established in Heidelberg? What happened to that system?

Hon. Mr. Rhodes: I am sorry, I am not aware of them establishing it in Heidelberg.

Mr. Speaker: The member for York Centre.

Mr. D. M. Deacon (York Centre): A supplementary, Mr Speaker: Wouldn't we be feeling rather ashamed of ourselves in Ontario if we had these wonderful guideways here but the technology for the actual operation of the system had not been developed at this point? Why should we be going ahead with construction of the guideways before we know the darn thing will work? Why is the minister moving ahead before he knows that?

Hon. Mr. Rhodes: Mr. Speaker, as I said, we are satisfied that the technology is good and that the system will work. That's why we are going ahead and building the guideways to put it on and show the members.

Mr. Deacon: At $25 million, $30 million, $35 million?

Mr. Givens: The minister should see if Paddy Conklin will take it off his hands. Has he heard of Paddy Conklin?

Hon. Mr. Rhodes: Sure, I have heard of him.

Mr. Speaker: This will be the last supplementary. The member for Ottawa Centre.

Mr. Cassidy: A supplementary: In light of the reassessment of the guideway because of inflation, would the minister also make a statement to the House about reassessment of the costs of the system itself which would have been incurred if there had not been a fixed price contract with Krauss-Maffei?

Hon. Mr. Rhodes: I can't answer that at this time and the member well knows it.

Mr. Speaker: Does the member for Kitchener have further questions.

STEEL MILL ON NOTTAWASAGA RIVER

Mr. Breithaupt: Yes, Mr. Speaker, I have a question of the Minister of the Environment. Has the minister as yet made himself aware of the facts concerning the proposed $25 million steel mill on the Nottawasaga River about which I directed a question to him some weeks ago?

Hon. W. Newman (Minister of the Environment): I didn't catch the first part of the question. Unfortunately, I was talking to one of my colleagues.

Mr. Breithaupt: I would be more than pleased to repeat it. Has the minister as yet made himself aware of the facts concerning the proposed $25 million steel mill on the Nottawasaga River about which I directed a question to him about six or eight weeks ago?

Hon. W. Newman: Yes, I'm well aware of the plant the member is talking about. We have done an environmental study on it.

Mr. Breithaupt: Can the minister advise us if the study is going to be available to us? Does he concur with the requests made by the reeve of Essa township and has he also dealt with his colleague, the Minister of Agriculture and Food (Mr. Stewart), as he said he would do, with respect to the agricultural value of the 300-acre site, which apparently will be used by this project?

Hon. W. Newman: This is an internal study we have done within the ministry. We have consulted with the Minister of Agriculture and Food, of course, and he is well aware of the site, too.

Mr. Breithaupt: Does the minister agree with the Essa reeve? Can we expect to receive a report from the minister with respect to the impact this project would have on the environment of that township?

Hon. W. Newman: Yes, I expect members will probably be receiving some sort of report.

Mr. T. P. Reid (Rainy River): Come on.

Mr. Breithaupt: I have a supplementary but I won't ask it, Mr. Speaker.

NOISE REGULATIONS

Mr. Breithaupt: I have another question of the Minister of Environment. How long does the minister intend to delay before proclaiming the anti-noise regulations under the Environmental Protection Act?

Hon. W. Newman: We are proposing to bring forward the noise regulations some time later this year. I know they have been promised for some time but there have been many complications.

Mr. R. Haggerty (Welland South): Since 1971.

Hon. W. Newman: It is not a simple matter to deal with noise. For instance, I don't know whether the noise in this House would be too high.

Interjections by hon. members.

Hon. W. Newman: It might be too high in here and we might have to impose the regulations here sometimes.

Mr. Lewis: This is 3½ years after the event.

Mr. Reid: Three and a half years.

Mr. Lewis: It has taken the government 3½ years and it has been promised six times.

Hon. W. Newman: We have an experimental programme going on in Hamilton and we expect an experimental programme to be going on in Toronto very shortly.

Mr. Lewis: Hamilton for noise?

Hon. W. Newman: It is not an easy thing to determine. It is not hard to determine over there but sometimes throughout the other areas it is difficult to determine. We hope we'll have some proposed—

Mr. Lewis: But the experiment in Hamilton is those signs which say "Please don't honk as you are passing."

Hon. W. Newman: We expect to have something probably this fall.

Mr. Breithaupt: Is there any reason that the standards being tested in Hamilton cannot become law before the summer months?

Hon. W. Newman: Yes, there are many reasons because we are only dealing with one aspect of it. That is the traffic aspect and the vehicular noise part of it. We might have that before fall. But certainly we want to do studies; for instance, it might be raining one day and the noise factor could be a great deal different from that on a dry day.

Mr. Reid: Come one.

Mr. Lewis: That has taken three years to figure out? One needs a lot of civil servants' brain power to work that out over there.

Hon. W. Newman: It is not that simple and the members know it is not that simple.

An hon. member: Rain power.

Hon. W. Newman: We get a lot of rain power from over there sometimes, too.

Interjections by hon. members.

Mr. E. R. Good (Waterloo North): A supplementary: The minister said the vehicle noise control might be in before fall. When could we expect the regulations regarding stationary noise and, more importantly, when might we expect a model noise bylaw so that municipalities can then get some action and they won't have to revert to the municipal noise bylaw which was passed 100 years ago? When is the minister going to have a model bylaw for the municipalities?

Hon. W. Newman: As I said, we will be doing some stationary noise studies this summer and we hope we would have a model bylaw—

Mr. Reid: Do that study on the cabinet because there is nothing more stationary than that.

Mr. Speaker: Order, please.

An hon. member: Except the member.

Hon. W. Newman: We would hope we would have a model bylaw for municipalities this fall.

Mr. Good: This fall? This year?

Hon. W. Newman: Right.

Mr. Deacon: A supplementary: Has the minister brought together people from the industry, such as manufacturers of air conditioning equipment, etc., municipal people and others who are involved in the manufacture and installation particularly of stationary equipment, because they have a lot of ideas as to how this could be solved? Why doesn't he get together with the people who are involved?

Hon. W. Newman: What does the member think I've been doing?

Mr. Deacon: I have wondered.

Hon. W. Newman: Okay. We've been meeting with a lot of people to discuss the matter. A lot of the noise regulations which will come out will be affected by Ottawa, at the manufacturing end, because the levels will be contained there.

Mr. Deacon: The manufacturers can't do much about installation.

Mr. Givens: Speaking about noise, is the minister doing any studies with respect to the installation of Krauss-Maffei's gigantic elevated stations? What noise impact and environmental impact will these gigantic elevated stations have on the residential areas of Toronto? Has he been requested to make these studies?

Hon. W. Newman: We work very closely with the Minister of Transportation and Communications on all their problems.

Mr. Reid: That is why they are both in trouble.

Mr. Givens: A supplementary question: Was this ministry requested to do anything about removing 60 trees at the CNE and all the environmental damage being done down there now? Was he requested to give a report on that as well? It is environmental damage.

Mr. Good: That is a good question.

Hon. W. Newman: We are aware of the fact that trees were cut down to build the track. We are constantly monitoring all these projects throughout this city and other cities. We are keeping an eye on the Krauss-Maffei programme, too.

Mr. Speaker: The member for Scarborough West.

ALLEGED AIR POLLUTION FROM METAL COMPANIES

Mr. Lewis: Thank you, Mr. Speaker. May I ask first the Minister of the Environment why he will not proclaim lead emission regulations and standards now, in advance of the report he will receive in June or July, on which he will act sometime in August or September, in order to protect in advance those in the immediate area of the Canada Metal plant? These standards can be based on acceptable standards in certain American jurisdictions, which he can then vary if need be when his report comes down?

Hon. W. Newman: There are many problems. We have talked about that particular plant and we will have some meetings this coming week on the new anti-pollution equip-

ment which has been in effect there now for about 40 days. We monitor it on a monthly basis and we will have the statistical figures back next week.

As the member knows, we met yesterday with many people on this matter, and also with the Minister of Health and the Minister of Labour. We were very concerned also about the two families that moved back in and we tried to help them find alternate accommodation. We are concerned about them. We are expecting this report by the middle of or the third week in June.

Much of the work of this committee will be dealing with the Carnow report. This is a highly technical situation where we have medical people involved. There is inter-departmental liaison and two outside people are also sitting on this working committee on lead. We would like to wait to hear what they have to tell us around the middle of June.

Mr. Lewis: By way of supplementary, does not the minister recognize that we will be moving well into the summer; that children will be playing in the soil immediately around the Canada Metal plant; and that he is inviting further hazard to human health by his refusal to apply the emission standards now which he knows will safeguard them, and then see if they need be varied by further scientific evidence? Why does he invite further Sick Children's Hospital cases by not acting now and by waiting for another summer?

Hon. W. Newman: I believe we are trying to do everything within our power and within our technology in this ministry to put controls on all these plants so that we do have proper emissions.

Mr. Lewis: Well, then, do it now.

Hon. W. Newman: We have the equipment in there now. We are not exactly sure how effective that equipment is going to be until we get these readings.

Mr. Speaker: Any further questions?

Mr. Lewis: I have a question of the Minister of Housing. This is a rather different one.

Mr. Cassidy: He ducked when the member said that.

CHATHAM TOWNSHIP WATER SUPPLY

Mr. Lewis: What answer is there to the extraordinary situation in Chatham township, a mile or so along Highway 2 and a mile or two back from it, where 117 families or more do not have drinking water or water for any other facilities and use? They have to truck their water in as individual families, and are worried about the pollution and disease because of how low the water table is. There seems to be absolutely no way in government over the last two years of petitioning and pressuring any ministry to resolve the problem for this group of citizens of Ontario.

Mr. J. E. Stokes (Thunder Bay): Who is the member there?

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, I am not aware of the problem. I haven't seen any petitions to me, but I would be very pleased to look into it. I don't even want to hazard a guess as to what gave rise to the situation at all until I have had an opportunity to look into it. I'd certainly be interested in receiving details of it as quickly as possible.

Mr. Lewis: Let me go to the Minister of the Environment. How is it that the Minister of the Environment has refused to Chatham township the right to build some kind of water treatment facility, simply because it is adjacent to the city of Chatham which has such a facility but which will not allow Chatham township or the residents whom I have mentioned to tap into the lines from the city of Chatham? Therefore, there is a serious water hazard and enormous difficulty for all of these families, apparently insoluble.

Mr. C. E. McIlveen (Oshawa): They need regional government there.

Hon. W. Newman: Mr. Speaker, the city of Chatham has the capacity to deal with the municipalities as it wants to. There are people down there who are elected to represent them. They have a right to negotiate with the city of Chatham on water and, I assume, Chatham township will eventually want to have sewers too. But they can negotiate; there is the capacity there. It can be worked out, I'm sure. In this ministry we're glad to help but we won't interfere with elected people when they have their own negotiations going on.

Mr. Lewis: Just by way of supplementary, is the minister aware that the city of Chatham has a resolution which says:

That the township of Chatham be advised that the council of the city of Chatham reiterates its policy to the effect that city water and sewer facilities will not be made available anywhere outside of the city.

What does the ministry do with all these residents along Highway 2 who are risking serious health hazard? There is obvious pollution. The appropriate branch of the Ministry of Housing has thrown up its arms—I know, because we've dealt with it—the Minister of the Environment has thrown up his arms; the local member can do nothing and this situation persists. Is there no way of resolving it in the Province of Ontario?

Hon. W. Newman: As the member knows, there was a development in Chatham township.

Mr. Lewis: I am not talking about the shopping centre. I am talking about over 100 families.

Hon. W. D. McKeough (Minister of Energy): That's part and parcel of it.

Mr. Lewis: That is not part and parcel of it. It is a separate matter.

Hon. W. Newman: Part of the problem is the commercial thing that is built out there. If the township of Chatham has a problem and wants to talk to the Ministry of the Environment about it, we are prepared to talk to them.

Mr. Lewis: They talked to the ministry but the ministry told them it won't do anything.

Hon. W. Newman: We would like to get them to sit down and talk with the city of Chatham.

Interjections by hon. members.

Mr. MacDonald: Why doesn't the ministry do something?

Mr. Lewis: What does the ministry do in a situation like this?

Hon. W. Newman: The member does not think that anything is possible any more, does he?

Mr. Lewis: What is the minister going to do about it?

Interjections by hon. members.

Mr. Deacon: Supplementary: Does this not show the need for the Ontario government to set up an Ontario Hydro-type organization to provide basic water and sewage services to the municipalities?

Mr. G. Nixon (Dovercourt): Get off that stuff.

Mr. Deacon: When is the government going to recognize the fact that local autonomy does not mean always having to buy their own basic plants and services when they don't have the resources?

Interjections by hon. members.

Hon. Mr. McKeough: That is centralization.

Mr. Deacon: The Minister of Energy doesn't understand these things and he never will.

Interjections by hon. members.

An hon. member: Don't centralize it. Take it over.

Mr. Lewis: As a matter of fact, the Minister of Energy has caused a lot of trouble around Ontario. He knows they are his constituents and he can't do a darn thing for them.

Interjections by hon. members.

Mr. Speaker: Order, please.

Interjections by hon. members.

Hon. Mr. McKeough: Members opposite just want to centralize everything here.

Mr. Deacon: If the government is against centralizing, why doesn't it provide the resources to look after the sewer and water problems?

Interjections by hon. members.

Mr. Speaker: Does the hon. member for Scarborough West have further questions?

Interjections by hon members.

Hon. W. Newman: To answer the hon. member for York Centre, certainly we do co-operate. Since this ministry was formed it has been involved in water and sewage problems.

Mr. Deacon: Nothing except excuses.

Hon. W. Newman: Does the member want to take away local autonomy?

Interjections by hon. members.

Hon. W. Newman: We co-operate and we give grants.

Hon. Mr. McKeough: Why doesn't the member take over the school board in York and take over the water commission?

Interjections by hon. members.

Mr. Speaker: Order, please. We have had enough supplementaries. Does the hon. member for Scarborough West have further questions at this point?

Mr. Lewis: Well, just one.

Mr. Deacon: How are you going to put up with that dictator?

Interjections by hon. members.

Mr. Lewis: Someone called the Minister of Energy the Stalin of the Tory party.

Mr. Speaker: Order, please.

Mr. Lewis: How dare he accuse them of centralizing?

Interjections by hon. members.

FOOD PRICES

Mr. Lewis: May I ask the Minister of Consumer and Commercial Relations a question, if I can find my notes? Have I got it right?

Hon. Mr. Handleman: The member has it right

Mr. Lewis: I am very pleased. I was prompted. What is the minister going to do in view of the Canadian Press cross-Canada survey showing that the overall costs of the items in their food basket that they review once a month has increased substantially? The recent indication is that 117 Canadian companies have had a 70 per cent profit margin. Recent figures in the last week show that wages have again fallen below the rising cost of inflation and the food factor is up over 18 per cent this month as compared to April of last year. Is he prepared now to introduce any kind of legislation to protect the consumer in the area of food prices?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I think the hon. member will recall that at the time we filed the study, we pointed out that we did not have the 1973 figures available because they had not in most instances been published. I also indicated at that time that when they were published they would then be brought before this House and filed as part 2 to the report. I am somewhat suspicious of short-term, quarter-annual earnings statements indicated by the press. I cannot accept them on the basis that they do reflect the truth of the matter. I am not intending to introduce any price type of legislation to this House.

Mr. Haggerty: They wouldn't support it anyway over there.

Hon. Mr. Clement: I am intending to introduce, later on this year, certain commercial-practice types of legislation which may, hopefully, directly assist the consumer in this particular problem.

Mr. Cassidy: The minister promised us that a year or more ago.

Mr. Lewis: Supplementary, if I may: Does the minister know that the economic analysis on which his food price study is based, which he tabled in the House, does not permit of an excess profit ever to be shown? Does he know, in other words, that he is in the process of producing studies built into which is a predetermined outcome, which is that an excess profit can never be shown? Has this been drawn to his attention? We have done quite an analysis of it. I will send it out to the minister next week. Has he looked at that?

Hon. Mr. Clement: No, it hasn't been drawn to my attention because I have great difficulty in really knowing what excess profits are. I think this is something that, when the phrase is used, Mr. Speaker—

Mr. Lewis: Yes, over—

Hon. Mr. Clement: —you have to look at the risk that is involved and the nature of the industry. You have to look at losses that the industry has experienced.

Mr. MacDonald: That is a cop-out

Mr. Deans: People have to buy food.

Hon. Mr. Clement: I noted with some interest the other day that the leader of the member's party in Ottawa was unable to define what excess profits are because, quite frankly, it is difficult to define them.

Mr. P. D. Lawlor (Lakeshore): Does the minister know what an unconscionable transaction is?

Mr. Deans: We will define it for him.

Mr. Lewis: Of course, he defined it.

Hon. Mr. Clement: Mr. Speaker, you just can't say these are excess profits. It is impossible.

Interjections by hon. members.

Mr. Lewis: A satisfactory return on investment is 10, 11, or 12 per cent.

Mr. Cassidy: Supplementary, please.

Mr. Speaker: Is this a supplementary?

Mr. Cassidy: Yes, it is a supplementary, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Ottawa Centre has a supplementary.

Mr. Cassidy: Has the Minister of Consumer and Commercial Relations reviewed the report of the National Council of Welfare on the cost of living of people on low incomes? If not, will the minister review it and will he pass the information on to the Minister of Community and Social Services (Mr. Brunelle) and to the cabinet so that appropriate measures can be taken, given the fact that the cost of living for the poor has gone up at a rate about double that of the average cost of living in Ontario?

Hon. Mr. Clement: Mr. Speaker, I have not personally examined it because I was not aware of its existence. I will find out from my staff but I just was not aware of its existence.

Mr. Lewis: No further questions, Mr. Speaker.

Mr. Speaker: The member for Waterloo North.

PATIENTS IN HOMES FOR SPECIAL CARE

Mr. Good: Mr. Speaker, a question of the Minister of Health: Has the minister made any changes in his support programmes to extend support for patients in homes for special care, comparable to patients in homes for extended care, so that families will not be responsible for patients who are released from psychiatric hospitals and put in homes for special care?

Hon. Mr. Miller: Mr. Speaker, I believe the hon. member is talking of the $4.50-a-day co-payment that currently exists. Is that what he is talking about?

Mr. Good: I am talking about the homes for special care where a family, if it has assets, is responsible for the complete care of the person in a home for special care.

Hon. Mr. Miller: I really don't understand the member's question yet.

Interjections by an hon. member.

Hon. Mr. Miller: Try me once more, and perhaps it will sink through.

Mr. Good: Mr. Speaker, does the minister understand that after a patient is released from a psychiatric hospital and put in a home for special care, the husband or wife of that patient is responsible for the financial upkeep of that person in that home, and that the patient does not qualify for benefits under OHIP or the extended care programme?

Hon. Mr. Miller: I disagree, Mr. Speaker. I am sure that many patients have been released from psychiatric hospitals in the Province of Ontario and are in homes for special care, where OHIP is paying roughly $10.50 per person per day and the balance of $4.50 is chargeable to the person himself.

Mr. Good: The minister doesn't understand the problem.

An hon. member: Isn't that generous?

Mr. Speaker: The hon. member for Sandwich-Riverside.

SAFETY INSPECTION OF CARNIVAL RIDES

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, a question of the Minister of Consumer and Commercial Relations regarding the safety inspection of carnival rides: Does the minister recall receiving a suggestion from Windsor city council last July, urging the minister to set province-wide regulations and standards for carnival rides? And has he acted on this yet?

Hon. Mr. Clement: Mr. Speaker, I do recall receiving the resolution referred to by the hon. member. I would like to get back to him on it within the next few days. I can't recall exactly what occurred on that, so I would like to refresh my memory. But I do recall the incident very clearly.

Mr. Speaker: The Minister of Natural Resources has an answer to a question which he would like to give now.

LEMOINE POINT

Hon. L. Bernier (Minister of Natural Resources): Yes, Mr. Speaker, the hon. member from Scarborough West asked me a question last week concerning the Lemoine Point appraisals. I am informed that the Cataraqui Region Conservation Authority has asked for two appraisals; one was received as late as this morning, and the other is expected very shortly. The Ministry of Government Services has also carried out an appraisal, which is

now being analysed by the lands division of my ministry.

Mr. Lewis: A supplementary: I take it that in terms of the psychological move toward Lemoine Point, we may well be on our way to purchasing it finally.

Hon. Mr. Bernier: Time will tell, Mr. Speaker.

Mr. Lewis: We will keep up with the minister.

Mr. Speaker: The hon. member for York Centre.

LOCATION OF SPORTS CENTRE

Mr. Deacon: Mr. Speaker, I have a question of the Minister of Community and Social Services. In choosing a location for the new major sports centre in Bronte Creek Provincial Park, why did the ministry not consider the basic tenets of the Toronto-centred region plan, which were to provide for development east of Toronto? And why would it not have picked a site such as Darlington Provincial Park, east of Oshawa, or some more easterly location, in order to provide more of an incentive for people to move to the east? Why doesn't the minister be consistent with his government on the principle of redevelopment?

Mr. G. Nixon: Oh, get off it! Sit down!

Interjections by hon. members.

Mr. Deacon: What does the member mean, sit down? My gosh, it's time the government realized when it's got a programme it should stick to it. They have no understanding of basic principles.

Mr. Speaker: Order, please. The minister has an answer.

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Speaker, several sites were considered.

Mr. P. J. Yakabuski (Renfrew South): The member's leader will be really proud of the member for York Centre.

Hon. Mr. Brunelle: One of the reasons that site was considered is because—

Mr. J. Riddell (Huron): That's more than the member for Renfrew South's leader can say about him.

Hon. Mr. Brunelle: —we have in Bronte Provincial Park about 2,000 acres and the centre itself—

Mr. Stokes: We already have a road going through it.

Mr. Riddell: And the same can be said of the member for York North who sits beside him.

Hon. Mr. Brunelle: —could be constructed within the park boundary or on adjacent land.

Mr. W. Hodgson (York North): The member for Huron is still wet behind the ears!

Mr. Speaker: Order, please.

Hon. Mr. Brunelle: Also, as the hon. member knows, there is very good accessibility to that area by GO Transit bus, as well as automobile.

Mr. Stokes: Sure it is more accessible. The government's got a highway going through the centre of it.

Mr. Lewis: It's a very simple proposition. It's the members for Peel North (Mr. Davis), Halton West (Mr. Kerr) and Halton East (Mr. Snow) versus the members for Oshawa, Northumberland (Mr. Rowe) and Durham (Mr. Carruthers).

Interjections by hon. members.

Mr. Speaker: Order, please.

Hon. Mr. Brunelle: Within a ratio of 70 miles it will serve a population of about half of Ontario—about four million people will have access to it.

Interjections by hon. members.

Hon. Mr. Brunelle: So, those were the main considerations, but various sites were considered and this was the—

Mr. Deacon: Why weren't the same considerations used by this government then, in choosing the site for a second airport, if it's needed?

An hon. member: It is needed.

Mr. Speaker: The hon. member for Port Arthur.

Mr. Deacon: He can't answer that.

Mr. Stokes: What Toronto wants Toronto gets.

Mr. Speaker: Order, please. The hon. member for Port Arthur has a question.

BURNING OF WILDERNESS CABINS

Mr. J. F. Foulds (Port Arthur): I have a question of the Minister of Natural Resources, Mr. Speaker. In view of the minister's answer last week to my questions on Thursday and his correction on Friday with regard to the burning of wilderness cabins on Crown lands, can the minister tell me under whose orders his officials were acting on March 13 when they burned the cabin on Circle Lake? Why did they select that particular cabin, when there are some 500 other wilderness cabins in similar situations? Is the minister not aware that the last communication received by Mr. Hobischuck was dated Feb. 14, 1973, from Mr. McGinn, the director of his lands administration branch, and said:

> Having regard to the current standing of mining claim TB 288485, instructions have been issued to the district forester to the effect that further action pursuant to the Public Lands Act respecting the building shall be deferred at this time.

How many more cabins does this ministry plan to destroy over the next few months? Isn't it about time the minister stopped this current scorched earth policy with regard to northwestern Ontario wilderness cabins?

Hon. Mr. Bernier: Mr. Speaker, I'm sorry that the hon. member was not in the Legislature when I—

An hon. member: The Minister of Housing can't build enough houses.

Hon. Mr. Handleman: I never said I could.

Hon. Mr. Bernier: —corrected my earlier statement.

Mr. Lewis: The minister is burning them down faster than we're putting them up.

Interjections by hon. members.

Hon. Mr. Bernier: But I would point out to to him that—

Mr. Speaker: Order, please. Order, please.

Hon. Mr. Bernier: —in our efforts to clean up a situation of illegal occupancy of Crown land—actually breaking of the law—we must be forceful. We must comply with the rules and the laws of the land as laid down by this Legislature. And we are moving ahead. We're not selecting any particular cabins to remove.

Mr. Deans: He is just burning them down methodically.

Hon. Mr. Bernier: Our policy is not to burn down cabins, as I pointed out in my earlier statement, but to give the occupant—

Mr. Stokes: Is the minister saying somebody violated the policy?

Hon. Mr. Bernier: —the illegal owner sufficient notice; and this notice usually stretches over a period of two or three years.

Mr. Lewis: It is a pretty dramatic way of showing authority.

Mr. MacDonald: Sounds like Vietnam.

Hon. Mr. Bernier: We have the authority and they are properly notified. We ask the individual to remove it himself—

Mr. Lewis: Some extraordinary methods, I must say.

Hon. Mr. Bernier: —and if he will not, then we have no alternative then but to take the actions that we do.

Mr. Cassidy: Do they use napalm?

Mr. Foulds: Supplementary, Mr. Speaker: In this case, the last communication from the ministry indicated that it was not going to proceed under the Public Lands Act. Does the minister consider that adequate notice?

Mr. Lewis: Are the tenants out before the cabins are burned?

Hon. Mr. Bernier: I think that if the hon. member will do a little further research, he'll find that we were in contact on many occasions prior to that particular date and accelerated our programme to improve the situation on Crown lands.

Mr. Foulds: Does the hon. minister approve this action?

Hon. Mr. Bernier: Is the member advocating we should let this go on?

Mr. Speaker: Order, please. The hon. member for Kingston and the Islands.

Interjections by hon. members.

FUNDS FOR CHILDREN'S CLINIC IN KINGSTON

Mr. C. J. S. Apps (Kingston and the Islands): Mr. Speaker, I have a question of the Minister of Health.

Interjections by hon. members.

Mr. Speaker: Order, please.

Interjection by an hon. member.

Mr. Speaker: Order, please. The hon. member for Kingston and the Islands wishes to ask a question.

Mr. Apps: I have a question of the Minister of Health, Mr. Speaker. In view of his statement this morning, does that mean that the Beachgrove clinic for emotionally disturbed children, connected with the Kingston Psychiatric Hospital, will now have sufficient funds to maintain its current service?

Interjection by an hon. member.

Hon. Mr. Miller: Mr. Speaker, without being definitive I would like to look at the budget of that operation and give the hon. member an answer shortly.

Mr. Apps: Supplementary, Mr. Speaker: In view of the fact that there is now a waiting list for young people to get into the clinic, I would appreciate it if the minister would try and make certain that they are covered under this new report.

Mr. MacDonald: The member knows how slow they are; push them.

Hon. Mr. Miller: Mr. Speaker, we are advising psychiatric facilities, and so I would hope and trust that this institution is covered.

Mr. Speaker: The hon. member for Huron.

ASSISTANCE FOR EGG PRODUCERS

Mr. Riddell: Thank you, Mr. Speaker. A question of the Minister of Agriculture and Food. Considering the very critical situation that the egg producers now find themselves in throughout Canada, is the minister rendering any assistance at all to the federal minister to try to resolve the problem, or is he going to implement—

Mr. Yakabuski: That's a federal matter.

Mr. Lewis: Here we go. This is called a setup.

Interjections by hon. members.

Mr. Riddell: —or is the minister going to implement a provincial programme whereby he can subsidize the egg producer in Ontario until such time that the market stabilizes itself again?

Mr. Stokes: This is a shell game.

Hon. W. A. Stewart (Minister of Agriculture and Food): I don't know which shell; that's the problem.

Mr. Lewis: Does the minister think he can handle this?

Hon. Mr. Stewart: I am not sure. Mr. Speaker, I welcome the question, quite frankly.

Mr. Lewis: Sure he does.

Interjections by hon. members.

Hon. Mr. Stewart: I thought perhaps it might come this morning, after last night's Globe and Mail headlines.

Mr. MacDonald: I don't know why the Liberals do it; I know why the Tory backbenchers do it—because they like it.

Hon. Mr. Stewart: Well, these people understand what I have been doing to help the people of Ontario. The great and unfortunate problem, Mr. Speaker, is—

Interjections by hon. members.

Hon. Mr. Stewart: The great and unfortunate problem, Mr. Speaker, is that my friends over there are so apologetic for the lack of action at Ottawa they are trying to blame us.

The real truth of the matter, Mr. Speaker, is that as early as last September, at that great conference that Prime Minister Trudeau called, or insisted his Minister of Agriculture call, we insisted at that time that there be a stabilization programme put in place for agricultural commodities that would be a realistic stabilization programme.

Mr. E. Sargent (Grey-Bruce): Atta boy.

Hon. Mr. Stewart: Nothing has been done to date, to amend the Stabilization Act at Ottawa. As late as last Thursday—and I was in Ottawa to discuss this very matter—I wondered when and if there would be some action taken—

Mr. Sargent: He's a tiger, all right.

Hon. Mr. Stewart: —to implement the position that had been taken by the government of Canada; that if and when the egg producers of Canada put their own house in order, they would then look for some assurance that these eggs would not flow in from outside this country to destroy the position in which they put themselves. That action has not been taken.

Now I am hopeful that this very day—and I was assured last Thursday—

Mr. Sargent: Answer the question.

Hon. Mr. Stewart: I was assured last Thursday—

Mr. Sargent: What is he doing?

Hon. Mr. Stewart: —that the federal minister would be putting in place some assistance programme we had hoped last Friday; but as late as last night we were given to understand that there would be an announcement made today. Certainly something has to be done, there is no question of that whatever.

Mr. Sargent: What is this government doing?

Hon. Mr. Stewart: We are doing what I believe is in the best interests of this country and that is not to get into the place or position of commodity subsidization by individual provinces. For instance, there is no possible way that we can compete with the Province of Alberta in commodity subsidization of any commodity due to the oil revenues now accruing to that province. It just makes commonsense to stay out of it. I am hopeful, Mr. Speaker, that by tonight we will have some action taken that will, in my opinion, stabilize this incredible situation that has been allowed to develop.

Mr. MacDonald: That was one of the better replays of the old scenario.

Mr. Riddell: Supplementary: Is the minister aware that other provinces do come to the aid of their producers—and I think he well knows—for both pork production and egg production? Why does this province just sit idly by and allow the farmers to get into a difficult situation? Is there nothing we can do to bail them out for the time being?

Hon. Mr. Stewart: Mr. Speaker, if my hon. friend knew anything at all, he would know that there is no way we can compete with other provinces in this particular aspect.

Mr. H. Worton (Wellington South): We do on everything else.

Mr. Yakabuski: He doesn't know.

Hon. Mr. Stewart: Unfortunately, he doesn't seem to realize that the enormous amount of money now flowing into both Saskatchewan and Alberta out of oil revenues that they never had before, is able to put those provinces in the position that they can outbid any other province.

We took the position at Ottawa—and, incidentally, if the hon. member even knew what his federal minister says, he would know he agrees with the position I've taken —that there should be one stabilization programme across Canada.

Interjections by hon. members.

Hon. Mr. Stewart: I thought that when he was at Sudbury last week, he would have given the members opposite a little history or a little bit of education, but he probably didn't do that.

Maybe they ought to have another provincial Liberal conference, at which the federal minister could come down and tell them a few of the facts of life, on which he agrees with me. That, to me, means we must have a stabilization programme right across Canada that will be financed by the taxpayers of Canada to stabilize agricultural food production. But if we allow one province to get into the field, another province simply outbids it.

That's what the tractor parades were all about in 1966. But the hon. member doesn't remember those kinds of things. That was why we took the position at that time—and the other provinces agreed completely with our position; the federal government agreed with our position—that there should be a single stabilization programme.

Mr. Foulds: This is a ministerial statement, Mr. Speaker.

Hon. Mr. Stewart: Now, if the hon. member talks to his friends in Ottawa in the way he wants to perform politically here, he'd get some action at Ottawa—and that's where it counts!

Interjections by hon. members.

Mr. Speaker: The member for York South.

Mr. Lewis: They're all on payroll. Every one of them is on payroll.

Interjections by hon. members.

Mr. Speaker: Order, please. The member for York South has an important question.

Mr. MacDonald: Mr. Speaker, if I could still the troubled waters. Ministers of Agriculture always face the same problem: they're never backed by their cabinets, including this one.

CREDIT UNIONS' LENDING RATE

Mr. MacDonald: I have a question of the Minister of Consumer and Commercial Relations with regard to credit union legislation: Now that the increased interest rates

have virtually eliminated the margin between what credit unions can borrow money for and the statutory ceiling on their lending rate, is the government giving any consideration to an amendment of the statute?

Hon. Mr. Clement: Mr. Speaker, I received on Monday or Tuesday of this week, I believe, several letters from credit unions pointing out this particular matter. I'm taking a look at it right now. My first priority would appear to be the introduction of the Act, reflecting the recommendations of the select committee report of 1969-1970.

Mr. MacDonald: When is that going to happen?

Hon. Mr. Clement: I will be introducing that bill, hopefully, this spring. I have met with the federation and the league in connection with the legislation, and we might consider the change of interest at that time. I haven't actively put that on the top of the list, and I didn't have it drawn to my attention until the other day, but I am aware of the problem. We're well aware of the prime interest rate now being charged by the banks, particularly the Bank of Canada, which is setting it.

Mr. Speaker: The hon. Minister of Housing has the answer to a question posed yesterday by the leader of the official opposition (Mr. R. F. Nixon). Does his House leader wish the answer to be given now?

Mr. Breithaupt: Yes, Mr. Speaker.

Mr. Speaker: The Minister of Housing.

HOUSING IN OTTAWA AREA

Hon. Mr. Handleman: Thank you, Mr. Speaker. The hon. Leader of the Opposition asked me a question yesterday regarding the amount Ontario Housing Corp. paid for lots in Goulbourn township for use under the HOME plan.

I challenged the hon. member's arithmetic, and I note that instant Hansard has quoted him as saying that OHC had paid up to $25,000 per lot, but I recall very clearly, I think, that he said $20,000. I accept that as the figure he mentioned.

The fact of the matter is that OHC purchased 1,500 land units in this development in 1967 at the very advantageous price of $6,000 per single lot, $5,500 per semi-detached lot and $2,500 per townhouse lot. So far, 274 units have been built and leased in the Glencairn subdivision, 46 are nearing construction completion and another 326 units are in the early stages of construction.

These lots are leasing for between $20 and $50 a month, depending on their size and the house style. Single detached houses on the lots have been selling for anywhere from $17,850 to $20,100 and semi-detacheds from $17,350 to $19,550. Townhouse units have not yet been bid on, so I can't quote any prices on those just now.

The subdivision has been very successful, and its future extensions are expected to carry along with the same success.

Mr. Speaker: The hon. member for Etobicoke.

ALLEGED AIR POLLUTION IN ETOBICOKE

Mr. L. A. Braithwaite (Etobicoke): Mr. Speaker, I have a question of the Minister of the Environment. I want to ask him a question about two companies that operate in north Rexdale. One is known as Continuous Colour Coat Ltd. and the other is known as Canadian Lukens Ltd.

Is the minister aware that over the years, these two companies have continued to pollute the air and the environment of north Etobicoke with impunity? Is the minister aware that his predecessor (Mr. Auld) had promised during his estimates to clear this up? Can the minister state to this House when his ministry will be bringing legal action against Continuous Colour Coat and Canadian Lukens?

Hon. W. Newman: Mr. Speaker, in answer to the hon. member's question, I can't give him a complete update at this moment in time, but I'll get an update and give him a report.

Mr. Braithwaite: Okay.

Mr. Lewis: Update? He will get some input from an update.

Mr. Speaker: Supplementary, the member for Etobicoke.

Mr. Braithwaite: In light of the fact that the health of the residents of that area is continuing to be injured, could the minister expedite this update and let us know in the very near future what his ministry intends to do? And if he should determine that his ministry officials have been neglectful, would the minister state what action he is going to take against his people so that this doesn't happen again?

Hon. W. Newman: I just said I'll look into the whole matter.

Mr. Speaker: There are about 30 seconds. We'll allow a new question by the New Democratic Party. The member for Thunder Bay.

Mr. Stokes: Yes, to the Minister of Natural Resources: Can the Minister of Natural Resources assure the people of Armstrong—

Mr. Sargent: Supplementary, Mr. Speaker—

Mr. Speaker: There wasn't time for another supplementary. I'll allow one new question, and that will be the end of the period.

Mr. J. T. Turner (Peterborough): Sit down.

USE OF RESOURCES IN ARMSTRONG AREA

Mr. Stokes: Can the Minister of Natural Resources assure the people of the Armstrong area that his ministry will insist that Domtar use the unused allowable cut to provide some viability by way of a saw-log operation in the Armstrong area?

Hon. Mr. Bernier: Mr. Speaker, I am very much aware of the concern that the member for Thunder Bay has for the community of Armstrong, and I want to assure him that this government shares that concern. I have to say to him that I hope to make a formal statement within the next two weeks concerning Domtar's position.

I might say that we met with the company as late as yesterday afternoon to discuss that situation and we have formed a committee, under the Provincial Secretary for Resources Development, (Mr. Grossman), which has been working for some considerable time now with all the ministries. The provincial secretary will be making a formal contact with the federal government to find out what they can provide us with to assist in that situation at Armstrong. So, hopefully, within the next few weeks we can say something positive.

Mr. Speaker: Time for oral questions has expired.

Petitions.

Presenting reports.

Motions.

Introduction of bills.

Orders of the day.

Clerk of the House: The 20th order, House in committee of supply.

ESTIMATES, MINISTRY OF ENERGY
(*concluded*)

Hon. W. D. McKeough (Minister of Energy): Mr. Chairman, if I might clarify something on which I think I confused the issue thoroughly last night. I think the staff have talked to the member for Sandwich-Riverside (Mr. Burr), but I was just told about this. We were talking about the price of heavy water, and I was talking kilogrammes and the member was talking pounds; if you equate the two they are not far off, but there was that confusion, for which I apologize.

On votes 1801 and 1802:

Mr. Chairman: The member for Windsor West.

Mr. E. J. Bounsall (Windsor West): Just finishing off very briefly the topic I was on last night, I'm interested to hear that the Minister of Energy is at least going to consider—he said maybe in the future—getting into the problem of having someone in this ministry charged with looking more seriously at new sources of energy and spending some funds for that purpose.

The minister also implied, however, that one of the reasons the programme was not being particularly considered now, or was not active at the moment, was that the Science Council, AECL, the National Research Council and others were into this game and this was part of their problem. Well they aren't, any of them, very far into this game. I don't know of any specific National Research Council funds which have been allotted to the development of new energy sources or specifically, of an applied nature, to develop the technology in any specific area.

I would say to the minister that if his ministry was going to consider taking part in the development of even one plant in the tar sands area of Alberta, one is talking in terms of maybe $600 million or $700 million, and maybe approaching $1 billion, to partake in that programme out there, for conventional energy sources. We heard last night that the minister thought the $5 million to $10 million per year that may be required from us to take part in some original research on new energy sources was a figure which he had found a little high.

What I am saying is that the Ministry of Energy in the Province of Ontario is a unique ministry in terms of what the other provinces have. I understand that no other province in Canada has a Ministry of Energy. It has been a sort of appendage to some other ministry, as Hydro was in the past an appendage, re-

porting through various other ministers mainly in charge of something else.

Here in Ontario we now have a separate Ministry of Energy and a Minister of Energy, which other provinces do not have. We are an energy-consuming province; and I think it is very incumbent upon Ontario, being an energy-consuming province, at the rate at which we do consume, to partake in development programmes for new sources of energy —new, unconventional sources of energy. We are uniquely placed in that we have a ministry in which this can be developed, where the sole concern is this problem of energy in general. We are in a different situation than any other province in having a minister and a ministry dealing solely with energy.

I suggest very strongly to this ministry that it spend some small amount of funds in co-operation with the Science Council, AECL or National Research Council or whatever other body is considering the matter in terms of developing a programme to look at new, unconventional to date, sources of energy.

This would be a good expenditure of money and a good investment in the future by the Province of Ontario. Ontario would then own a part of the technology that results from that expenditure of research funds. No matter what it relates to—the production of hydrogen from water or solar energy or wind energy; for which, in all three cases, the natural resources are either very available in terms of water or there to be harnessed in terms of the other two—if we developed a technology, this is technology which can be very easily exported and sold to other nations of the world; because all of them, unless they are completely land-locked countries, have the source of that supply.

Just turning quite briefly to another point: The minister is aware of the problems which Ontario Hydro has had in southwestern Ontario with its transmission corridors, particularly the section from Douglas Point down to the Wingham junction. I had a meeting on April 4 with Neil McMurtrie of Hydro. At that meeting I was rather pleased to find that he was very aware of the problems in that area and seemed quite determined to see that they did not happen again. They had realized their errors. They had realized, according to Mr. McMurtrie, that the way in which they had gone about things was very detrimental to those concerned, very disquieting to those concerned, and he seemed to understand the ins and outs of what happened there and that it would not happen again.

In reading the Hydro public participation programme outline, I believe when it is applied in other areas—and by and large it was applied in the area from Wingham junction down towards the Kitchener-Waterloo area—that many of those problems we had in the area down to Wingham junction will in fact disappear.

At that one meeting, though, a point was raised, on which Mr. McMurtrie was not clear. He mentioned that one of the options being considered for any farmer across whose land Hydro transmission lines would run would be, he hoped, an option to sell to Ontario Hydro. Ontario Hydro could then lease it out through ARDA or in whatever form it wanted. But one of the options would be the option to sell if Ontario Hydro had to put transmission corridors across that particular farm.

Rather than going down to 85 acres from 100 acres and the farmer finding that difficult to deal with, one of the options offered would be a sale to Hydro, or a Hydro-arranged sale to ARDA and so on. Is this the case? Has this now become Hydro's policy with respect to transmission corridors across farm lands? Will the farmers have an option to sell as one of the options open to them?

Hon. Mr. McKeough: Hydro is reviewing this at the moment. Certainly there are a variety of approaches. In the past Hydro has either bought the land or taken an easement. There are some other alternatives, which my colleague, the Minister of Agriculture and Food (Mr. Stewart), has concerned himself with. The parliamentary assistant and the former Provincial Secretary for Resources and Development (Mr. Lawrence) and his deputy have advanced several ideas based on the experience in the United Kingdom. As I understand it, the board is taking a look—and I think this is at the staff level at the moment—at the possibility of a variation on easements. In the United Kingdom, as Dr. Solandt mentioned in his report as well, they simply lease the tower site and not the land in between—it would be possible to do both or either—then apply a yearly rental, which of course would escalate with inflation and changing times and changing value of the property.

In answer to your question, all I can say is that this is under review by Hydro, as compared with the two things which they have normally done. The only qualification I would put on it is that I think that if you are starting from A to B, I would suspect they would want to be consistent right from A to B. I don't think it would make sense, because the first farmer wanted to sell, the second farmer wanted to give an easement

and so on, to apply a different principle on the route of that line. Perhaps it would be possible to find out on a particular line what the majority would favour, then proceed on that basis rather than mixing it up. I would suspect that is the direction in which they are going.

Hydro also point out, of course, that as we develop multi-purpose energy and transportation corridors, if they are to be multi-purpose, then ownership should probably vest in the Crown or in the Crown's agency, rather than simply taking an easement—and I would agree with that.

Mr. Bounsall: Well further to that, if there is going to be a corridor, in which facilities are provided, I agree that the reasonable thing to do would be to purchase the land. But in some cases where the corridors cut across farm land, can one place the corridors on the back lot line? In some cases they do cut across the farm in such a way that you have acreage separated from the buildings of that farm by a corridor that is presumably fully-owned now by the province, which would make that farm uneconomical.

What I am asking is, could one of the options be that the farmer could sell the entire property to Hydro. Is that one that is being considered?

Hon. Mr. McKeough: Yes, and put in practice.

Mr. Bounsall: Fine. And put in practice? Already? Is that a standard option that is given?

Hon. Mr. McKeough: No, not necessarily, but that is one of the things which has been done, at Arnprior for example. It has been done in other areas as well.

Mr. Bounsall: All right; just one other point, in conclusion, about the line from Wingham junction east. The plans by Ontario Hydro for outright purchase or easement purchase, whatever the case may be along that line, involved the purchase of enough land for three 500 kilovolt lines. That was based on expansion of the nuclear facilities in western Ontario post-1990.

For that particular piece of line from Wingham junction east, at the moment there is only going to be one 500 kv line and one 250, so one doesn't need to buy the entire width at this moment for three 500 kv lines. In essence, by purchasing easements or outright purchase of that width of line at the moment you are buying 1990 land—if approval is given for nuclear expansion—at 1974 prices. I would ask the minister if, in that area, a decision has now been made to do it differently and that you simply purchase enough for the two lines at the moment?

You can maybe have an agreement or an option to purchase the rest for the post-1990 period but not, in fact, purchase that land at the moment. Or if, having taken that option for 1990 uses, it becomes clear that no nuclear expansion is going to take place in the west requiring the additional property, an arrangement could be made whereby that option lapses. Or are you still proceeding to take enough property, enough width to accommodate the three 500 kv lines?

Hon. Mr. McKeough: I believe that is something which was worked out; the member for Huron-Bruce (Mr. Gaunt) had something to do with working this out; and was most helpful as a matter of fact, as I understand it. It was worked out in that particular section between Bruce and Bradley junction. It was complicated by the fact there had been a hearing of necessity but I understand that solution was put in front of the hearing officer. It is my understanding that he agreed with it; whether it has been finalized or just what stage it is in at the moment I'm not sure but I think the simple answer to your question would be yes.

Mr. Bounsall: You're talking about a different piece of the line than I'm talking about. I'm talking about the one from Wingham junction east. Has that been decided?

Hon. Mr. McKeough: From Wingham junction?

Mr. Bounsall: From Wingham junction east.

Hon. Mr. McKeough: No. I can't answer that; I'm not sure.

Mr. Bounsall: Okay. The problem there—

Hon. Mr. McKeough: The principle has been accepted. Presumably the principle is a good one and can be applied in areas other than the particular place where there was a hearing.

Mr. Bounsall: Okay. The problem from Wingham junction east is that Hydro planned to take enough property for the three 500 kv lines but it only needs enough for one 500 and one 250 at the moment. The farm community was very upset over the taking of this width of property when it wasn't needed until 1990 and even then only if approval was given for the nuclear stations.

I would hope that land would not be taken until it is needed, if needed. I see no objection to Hydro building into agreements the fact that it would be able to purchase, at 1990 prices, if its approved, the additional land to put the three lines along. I would certainly stress very strongly to the minister that that land should not be taken at the moment.

Mr. F. A. Burr (Sandwich-Riverside): Mr. Chairman, I suppose the minister hasn't the figures available but could he get them for me? How many square miles of the province are occupied by tower corridors and how many towers have we in Ontario? What is the current price of a tower and installing a tower?

Hon. Mr. McKeough: We can get that.

Mr. Burr: Thank you.

Mr. Chairman: The member for Sudbury East.

Mr. E. W. Martel (Sudbury East): I have a couple of brief questions, Mr. Chairman, to the minister. I've had some correspondence with respect to Hydro in the past couple of years because of the little pockets of housing development it starts. In fact, it becomes virtually impossible for these residents to get Hydro power. It has always bothered me from this point of view that it's some other agency of the government that originally sells or allows those homes to develop and then Hydro says; "No, there aren't enough"; or: "if you take extra units, then we might go in."

It seems to me there's got to be a solution for that sort of thing, Mr. Chairman: I can well recall in writing the chairman of Hydro, the Premier (Mr. Davis) and the minister's colleague with respect to eight or 10 houses in the St. Charles area that are within a couple of miles of Hydro either way —whether it be from Warren or from St. Charles. There is a pocket of houses and the cost to those citizens to get Hydro power is so great it prevents it.

It seems that this ministry has got to move in and ensure that type of random development can no longer occur. The reason I raise it with this minister is that I realize he is responsible or was responsible, for some of the phases of development that went on with respect to unorganized townships when he occupied another ministry; and I think some of them he brought in were at my request in the area I represent. It does cause a hardship. For those which are there, there has also got to be a policy worked out which will provide them with Hydro service. That's the one point I want to raise.

The second one deals very briefly with gasoline. Has anything come to the minister's attention with respect to the possibility that gas might rise by as much as 15 cents a gallon in northern Ontario? I have been advised by one retailer that he has been advised by his supplier that gas in the Sudbury area could go as high as 15 cents more a gallon. I'd like some assurance that the amount of increase in the north will not be any greater than it is here in the south.

Hon. Mr. McKeough: Well Mr. Chairman, I haven't heard that specifically about the Sudbury area. I have heard of some instances here where gasoline for some independents will go up 15 and 16 cents, somebody told me, because their last year's contract was a very favourable contract and they are starting from a much lower base. But presumably the average will be somewhere around the 8- or 10-cent mark, which has been discussed.

Mr. Martel: Does the minister not have any comment with respect to Hydro and some way of overcoming the fact that there are people in Ontario who are only two or three miles away from Hydro service who will not or cannot, unless they pay large amounts, obtain Hydro power?

Hon. Mr. McKeough: Sure; I will make this comment. I have made it before. They knew that when they built there, or when they bought there. I don't think it's up to the power users of the province to subsidize that sort of operation. There is some element of subsidy built into the extension of lines now. But I don't know that I now, as a power user—with increasing costs, by the way, and great rate increases—should be responsible for picking up those people. When they built there was no power available, or when they bought there was no power available. Now if the government in its wisdom sees fit to do this out of the general tax revenues of the province, fine and dandy; but I don't think that it should come from the power users.

Mr. Martel: I just want to make one point, though, that possibly the minister is right and it should be the government itself that undertakes this; however, the people I represent do subsidize people in Toronto for a GO transit system. They subsidize for transit systems they never make use of. The "subsidy streak" works many ways—and they are not going to make use of the subway station down here. They are not going to make use of the mono-

rail the government is devising—and that's out of general tax revenues. They are going to pay to subsidize that. It seems to me that one of the most basic amenities they need is Hydro power and the government should be moving in to insist that all citizens in this province are entitled to Hydro power as one of the utilities in this province.

Mr. Chairman: The hon. member for Huron.

Mr. J. Riddell (Huron): Mr. Chairman, I would like to turn our attention again to the oil situation, particularly the price of oil, as I am really concerned about the ever-increasing costs to those consumers who certainly cannot afford it. I am concerned also with the plight some of our producers are in at the present time, but that is another matter. I have been reading several articles lately and I have been trying to do some research. I have been trying to separate the wheat from the chaff; so I am going to make a few comments on this oil business. All I ask of the minister is to give me his own personal opinion as to what he thinks after I'm through, and as to what he feels the Ontario government's position should be in establishing some kind of an energy policy.

If one examines the reasons given by the oil companies for their recent fuel price increases, we can only conclude that these prices are both unjustified and unnecessary. Moreover, it brings to light the fact that the Minister of Energy's policy of doing nothing with regard to domestic fuel price increases is inexcusable. All justifications given by the oil companies for price increases really support the fact that government must extend its control over prices of domestic fuels. From the recent $2.50 a barrel increase in crude oil, Alberta, Saskatchewan and British Columbia will receive approximately $1.60 a barrel for oil produced in each province. Of the remaining 90 cents, the oil companies will net between 60 and 70 cents while the federal government will receive 20 to 30 cents a barrel through additional corporate income tax. The additional 60 to 70 cents a barrel should increase the profits of most oil companies by perhaps 35 to 60 per cent.

Surely the industry's need of a minimum $500 million in extra revenue annually that it will receive must be questioned. One reason given by the oil companies as an explanation for the price increase is that the new prices would provide incentives for new oil discoveries and development, which are a very expensive operation. However, while the industry is pouring millions into frontier exploration, it most certainly expects and will reap that profit.

A quick look at the industry's published profits will surely confirm this. Also, there is no reason for the price of found oil to bear the cost of new exploration, unless it can be shown that the industry does not have sufficient capital without it. This, however, has not been shown to be the case; but even if it was, one should logically ascertain the magnitude of the industry's need and set the domestic price accordingly.

Regarding the oil companies' response that they must generate, internally, a large proportion of their funds because of the risky nature of their business, the Carter commission argues that the risks involved in petroleum exploration are no greater than the risks encountered in research and development undertaken by firms in other sectors of the economy. Furthermore, it states that by pooling risks through joint ventures, by conducting several ventures simultaneously, by diversifying their operations and by being able to offset costs of unsuccessful ventures against production income, the large established oil companies would be able to minimize the risk considerably. Also they could be financed by other means, such as through new stock or bond issues.

This was the suggestion that was made by, Mr. Fred Lazar I think his name was, who is on the faculty of the economics department at York University. We may even ask whether greater degrees of exploration are desirable at this time. Along these lines the Carter commission states:

> We have been told that there are no insurmountable technical obstacles to the commercial production of oil from the Athabaska tar sands. The principal problem is that, if oil from the tar sands is to be competitive with conventional crude oil, large-scale production facilities are required and these must operate near rated capacity.
>
> Devoting resources to the search for conventional oil is, or will become, unnecessary. Hence to grant increasingly generous tax concessions to encourage the discovery at higher and higher costs of more conventional oil, when the tar sands crude was available in limitless quantities but could not be exploited because of the limited market, would be perverse.

The timing of the higher price increases must also be examined. The forecasts submitted to the National Energy Board by both Gulf Oil Canada Ltd. and Imperial Oil Ltd. indicate that conventional sources of crude oil will be

sufficient to meet domestic demand until 1980. One can only conclude, then, that these higher prices are not needed now, despite the claims of the oil industry that financial capital requirements for development of tar sands facilities can only be met by higher internally-generated cash flows. The price increase of the oil companies would thus seem to be totally unwarranted and government intervention and regulation is required. The oil companies should thus be made accountable to the consumers in pricing activities through government action.

On the basis of these comments, Mr. Minister, I want to ask you if you feel in your own mind that the $2.50 increase was necessary at this particular time, and considering that current conventional sources of crude oil will be sufficient to meet domestic demand until 1980, do you believe that higher prices are needed now; or would you not agree that a more practical solution would have been to allow the oil companies to increase the prices of crude oil at an annual rate of five to seven per cent until the middle 1980s and then keep it at that level for the remainder of the century?

Oil companies say that higher crude oil prices are the only means available for financing exploration activity. I am wondering if you believe this. Do you believe that increased expenditures on exploration for conventional oil are necessary, given the vast potential of the tar sands and the coal deposits? If you feel that increased expenditures are necessary, do you not think they could be financed in other ways, such as through stock issues or some type of bond issue?

This brings me to my final question: Considering that Ontario accounts for one half of the Canadian consumption of oil produced in western Canada, do you not believe that Ontario should have some say in the pricing activities of oil companies; and would you not agree that the power of the Ontario Energy Board should be expanded to extend its control over prices of fuel for domestic purposes?

I am not sure whether the minister got all those questions or not, Mr. Chairman. I notice he had some other business to attend to, but I did ask a series of questions there and I wondered if maybe he could give me an answer to them?

Hon. Mr. McKeough: Mr. Chairman, I read with a great deal of interest in Tuesday's Globe the story by Mr. Lazar and I thought there was a considerable amount that would commend itself to the House and to informed readers. Certainly some of the points which were made in that article were exactly the points which we had been making and will continue to make. The member mentioned the Carter Commission, which Lazar mentioned. Good Lord, it was the first time I knew where you were getting your stuff when you mentioned Carter, because it was the first time I had heard Carter mentioned, I think, for at least three years. But Carter made that point and there's no question the oil companies do finance their activities—

Mr. D. C. MacDonald (York South): Out of the public purse.

Hon. Mr. McKeough: —with a much higher proportion of equity than other areas of the economy. They go the equity route, the internal generation of funds route, as opposed to the debt route. Carter made the point that this perhaps wasn't necessary. Somehow or other you would have to turn the industry around altogether, I think. They would all have to do it, start making a change to go to a higher debt-equity ratio. I don't think one company could do it or I suspect they might find themselves in some trouble in the market or at least that's what they say and I can appreciate that.

But the fact is that the government of Canada made the decision to disagree with Mr. Carter, and in the white paper they discarded what Carter had said about the resource industries. When the white paper was ultimately legislated in tax reform, they completely disregarded it, so to some extent it is at the moment an academic question, which point seems to have escaped Mr. Lazar, I might say, with some respect to most of what I thought was a rather well written article.

In the broader terms perhaps Mr. Turner, in his budget on Monday night, may come to grips with this problem; and if the excess profits legislation sees the light of day perhaps there's a place for it there. There is no question that historically the oil industry, to a much greater extent, has financed internally and not from debt sources. For example, the figures in the oil industry are roughly the reverse of what they are in Ontario Hydro, which admittedly is an extreme example the other way. The utilities, for example, are roughly on a 50-50 basis.

The member mentioned the tar sands and how they will be financed. My guess would be that the $6.50 price of oil at this moment will allow the development of the tar sands

on an orderly basis, and I would stress orderly. I think that is a point, with respect, which may have escaped Mr. Lazar's attention.

Even if the tar sands, at a price, are economic and can be brought on, the government of Alberta feels—and I would concur with this—and the industry feels that there is a maximum rate at which they can be brought on in terms of a shortage of materials; in terms of the shortage of skilled manpower; in terms of the shortage of engineers. Alberta, I think, has said perhaps one plant every three years; some people would say one plant every two years. Those are 100,000 barrel plants and it's going to take some years before there is a significant proportion of Canadian consumption coming from the tar sands.

Mr. Goyer, the member's colleague in Ottawa, made one of the more asinine suggestions which have been made and said: "Let's build 20 of them and build them with Japanese and German money and give them the oil." That, as I say, has to be one of the more ridiculous suggestions, in my view, which has been made in some time. I don't accuse Mr. Lazar of making the same suggestion, but there is a limit as to how fast the tar sands can be brought onstream.

In terms of the pricing activities of the oil companies, the member said we should do something about it. We have absolutely no control over the price allowed at the wellhead—or which is paid at the wellhead by an oil company—to the producers in western Canada. That control could be exerted either by Alberta—I suppose through its marketing legislation—or more particularly by the government of Canada which we believe, and which has never been denied, does have the power to bring in wellhead price control.

What we have to remember is that if we moved to amend the Act or, as they have done in Nova Scotia, to regulate the price of gasoline or heating oil, we would be regulating a smaller and smaller proportion of the total amount of the price.

This is one of the things which concerns us about the regulation of gas. It used to be that, using a figure of, say about $1.25 per 1,000 cu ft in a household, 20 cents of that was the price at the wellhead, which was completely unregulated; 30 or 40 cents was the transmission charge by TransCanada, which is regulated by the National Energy Board; and the remainder was regulated by the Ontario Energy Board, that is the distribution charge within Ontario and within the particular city.

The 20 cents price paid for gas—it used to be 10; it is currently on an average, about 24 or 26—was unregulated. That price, I suppose, is going to go to 60 or 70 cents very quickly.

There is no way we can regulate that price which is paid to, or demanded I think might be a better term, by the producing company aided and abetted—not aided and abetted, encouraged might be a better way of putting it—by the government of Alberta.

If you are looking at the oil companies—I don't want to say I am apologizing in any way for the oil companies, because that upsets the member for York South and I don't want to upset him on Friday morning.

Mr. MacDonald: It doesn't upset me.

Hon. Mr. McKeough: I think it is generally recognized on oil company profits—the Minister of Consumer and Commercial Relations (Mr. Clement) made this point this morning—that one shouldn't get worked up about quarterly figures. I think, if that is true in any case, it's true of the resource industry which, regardless of tax laws and regardless of the equity of tax laws, really has to be looked at, in my view, on a minimum of a 10-year basis.

Somebody gave me figures yesterday—or it was in a speech from one of the oil companies, I guess the second largest—which indicated they had made a 6.7 per cent rate of return over the last 10 years. In 1973 it achieved a 10.2 or 10.3 rate of return, which even the member for Scarborough West (Mr. Lewis) indicated this morning was perhaps an acceptable figure, I think, in the first quarter, the rate of return is perhaps 11 or 12 per cent; I'm not sure of that. The profits were up, I don't know, 88 per cent over the previous year in the first quarter. That's a nothing comparison, I think, really to be fair about it.

Mr. MacDonald: The minister is making excuses again.

Hon. Mr. McKeough: It is a great headline in the paper but obviously, and I say this with respect, that whether you are talking about food production, whether you are talking about the plumbing business, whether you are talking about the oil business, whether you are talking about the brokerage business, the person who is investing is really not interested in making a fantastic profit in one quarter. He does look at things for a little bit longer period.

In looking at it for a longer period you will find that Imperial Oil, the biggest and the best and the most efficient, have made about

12 per cent rate of return on a deflated base. If you compare that to what an investor would say, he would say they have been making four or five per cent over the period. But they made 12. Gulf I think was 6.7 per cent; Shell was much less than 10—and this was over the 10-year period.

Go a step beyond that and the oil companies will say, and I think this was generally recognized by the analysts, that where the money was being made was at the production end. If they were making a 10 per cent rate of return in the industry, for example—and as I have just said, they were not—the greatest proportion of that was coming from the production end.

This is one of the reasons why Imperial did better than the others, because Imperial had a better rate of find and had more success over the last seven or eight or nine or 10 years. But it was made at the production end. If anything they broke even at the refinery end and they were losing money or making practically nothing at the dealer end. That was a generally accepted fact and I think it is still true.

Mr. MacDonald: Is there any reason why they shouldn't be forced out of the dealer business—

Hon. Mr. McKeough: Out of the dealer business? I think many of them would be delighted to get out of it.

Mr. MacDonald: —the retail end? If they would like to get out—

Hon. Mr. McKeough: They would be delighted to get out of the retail business, I think, in many instances.

Mr. MacDonald: Why?

Hon. Mr. McKeough: Because they have not made the money at that end. One of the companies told me that during 1973 at one point they had 60 per cent of their outlets on consignment—in other words, on subsidy—with the outbreak of the gasoline wars during that period of time which continued right up until—when?—the spring of 1973. I guess then 1972 would be the year I am referring to, with the 60 per cent on consignment.

I see no reason this is going to change, and if you are talking about getting at the high profits, the profits are being made at the production end. They are not being made or they have not yet been made to date—at the refinery end or at the dealer end. I frankly don't think that is going to change. So what the hon. member is talking about—the most effective price control, if that is what you want to have—would be at the wellhead on the price paid to the producer, which as I have said, I think we can do very little about here.

Mr. MacDonald: Mr. Chairman, the minister has raised one or two points which I would just like to speak to.

With respect, the minister is still using the companies statistics and they are self-serving. I don't want to spend a great deal of time arguing the points this morning. Let me give you one example.

The companies have argued that only in about 1964 did they begin to break even in terms of their expenditures as opposed to the profits that they had made, because of their great investment in exploration and development in this country. What they choose to ignore—I am sorry, let me put a figure on that. It was around $18 billion or $19 billion; they had invested that amount, this was the amount of return they had gotten.

What they chose to ignore is that they meanwhile have $51 billion in proven reserves, which is money in the bank. It has all been accumulated by the kind of tax structure which permitted them in effect to use the public treasury for all of this development.

This is where the case of the hon. member for Huron is on sound ground. I am glad to hear the Liberals taking this ground for a change, but he is on very sound ground.

If the companies, through depreciation allowances, through all of the various kinds of tax concessions they have, have in effect been paying virtually no tax at all and therefore tapping into the public treasury for their development, why should we sit back? And, Mr. Minister, why should you, as the Minister of Energy, be getting up and repeating excuses of these self-serving statistics, instead of saying: "You use public money to develop and now we of the public have an entitlement to look at your excess profits"—and I'll use the word "excess" profits—"and not permit you to milk the public in terms of walking off with the profits when you use the public treasury for the development"? That's the essence of a broader and the more comprehensive analysis of the situation.

Now I am most intrigued at this suggestion from the minister, that the oil companies would like to get out of the retail business. I am most fascinated, you know. I am always—forgive me—I am always a little suspicious about these companies which say they

would like to get out of something when they are breaking their neck to stay in and they are devising every new kind of technique to puff up the Chicago-gangster-kind of competitive atmosphere that they have got in that business. They don't want to get out because they are making some money; and they are cooking the books and the government is accepting their cooking of the books. That's the kind of thing that's gone on.

However, the minister has raised an awfully good idea; an awfully good idea. I think that the time has come in the Province of Ontario, when I think of the battle that has been fought in this Legislature for the last 15 years, to give voice to the Ontario Retail Gasoline Association on the state of vassalage to which the average member of that group has been reduced.

They have to do as they are blessed well told or they are kicked out in the most summary kind of fashion. Their life savings may be frittered away. Oil companies will come in and establish, under a new name, another outlet down the street that will undermine a lifetime's achievement by an operator in building up a clientele in a certain area. When their gasoline sales go down—because selling at 55 cents they can't keep their sales up as they compete with the same oil company selling down the street at 50 or 51 or 49 cents, or something of that nature—then they are tossed out and told they are inefficient. A man suddenly becomes inefficient after he has been with the oil company for 23 years.

I am not talking off the top of my head. I am giving the minister details of a specific constituent of mine.

Now I think the time has come, quite frankly, when by statute we should exclude the oil companies from this area. I am glad to hear the minister say they are losing money. That means they will agree with us, because companies don't like to lose money. We should exclude them from the retail field and that field should become an area where we can encourage the development of small entrepreneurs, who will be assured they are going to get a gasoline supply if they can't get it from one of the oil companies.

That is another reason why we should have a national petroleum corporation which will sell it to them on a contract. Let them go ahead and sell gasoline on a discount bar basis if they want, or they can sell it as part and parcel of a package of services at a somewhat higher price.

In other words, we would have genuine private enterprise, genuine free enterprise; instead of the fraud that is paraded today in this area as an example of free enterprise.

So I welcome the information the minister has given us this morning. He has emboldened us to pursue a very clear cut part of the New Democratic Party programme, which will likely be confirmed when we get to our convention in Sudbury. I am glad to see the minister is going to be on our side and we can go out and rescue all of the thousands of gasoline retailers in this province from the kind of economic vassalage they have suffered for many years under the oil companies.

Now that was by way of reaction, Mr. Chairman, to the provocative comments of the minister in his very benign mood this morning.

I did want to raise a matter, which I think clearly comes under vote 1802. I have some other things I want to get back to, but I had assumed they come under the Energy Board on vote 1803. We seem to have lumped all the votes pretty indiscriminately. I don't suppose it makes that much difference.

But what I did want to raise with the minister is to come back again to this question of the southern route for the line. The government tabled, two or three days ago, the intervention that Ontario is making before the National Energy Board, and I just want to say one word about that.

As far as it goes, fine. At least the government now is going to accept an obligation which I think it should have been exercising 10 or 15 years ago when these oil companies or these pipeline companies operated like 19th century freebooters. There were continuing problems that farmers had had all through southern Ontario because of the arbitrary way in which the companies operated and the rather slipshod manner in which they dug the trenches and put the pipes in. They left stones on the top and the best land down in the bottom of the ditch—and all the rest of it. I'm still getting letters of complaint from farmers down in Leeds county for Interprovincial action some 10 years ago—

Mr. Chairman: This definitely is dealing with pipelines and transmission lines and definitely should be discussed under vote 1803. Would you mind letting us finish up votes 1801 and 1802? Then you can come back on this.

Mr. MacDonald: What I said, Mr. Chairman, was that I was going to say a brief word about this intervention and commend the government for doing at least a limited amount in protecting the farmers. But I wanted to move on to a policy issue, under vote 1802—

Mr. Chairman: Let's get back to the vote.

Mr. MacDonald: —namely, why this government, stubbornly and in a bloody-minded fashion, sticks to the southern route without using its powerful influence before the National Energy Board to have this matter reviewed. That's what I want to speak about; that's policy.

Now let me go back to the rationalization that was given of all the confusion in the cabinet, of conflicting spokesmen on this southern pipeline—the rationalization that was given by the Provincial Secretary for Resources Development (Mr. Grossman) on March 7.

I want to pick out one sentence just to show you how specious is the stance of the government. After he had spelled out all that could and should be done, he added this: "I might add that we would support the federal government in its ultimate national goal of an all-Canadian pipeline."

If the government really means that, the minister should be going before the National Energy Board and saying, as he did in his whole approach with regard to the Mackenzie Valley pipeline: "As we understand it now, we support it. But we are keeping flexible. We are keeping our options open, and we may change our mind."

My argument is that the government should change its mind on the proposition of the southern pipeline before going to the National Energy Board. The reason they should do it is in a sense contained in that sentence. If they really are in favour of an all-Canadian pipeline, let's face the fact that if we don't get an all-Canadian pipeline now, we will never have it. There is no real prospect of enough gas or enough oil from western Canada to justify a second pipeline once we have built one in the south.

I was rather interested to hear—I didn't see it myself, because I think it was a local telecast—the observations of Donald S. Macdonald, the federal Minster of Energy, Mines and Resources, in Sudbury this past weekend when he was up at that clambake. Perhaps the hon. member for Huron saw it. But I am told by some of my colleagues who came from the area that Donald S. Macdonald, when interviewed along with the Leader of the Opposition (Mr. R. F. Nixon), stated they were going to delay any further consideration of this all-Canadian pipeline because it may not be ultimately needed if eastern offshore sources of oil come into production.

In other words, even he is now arguing, along with this minister and a lot of other people, that if we produce oil off the east coast, we won't need to build an all-Canadian pipeline.

Well I'll tell you, Mr. Chairman, we in the New Democratic Party believe that while it may cost more money, we concede it and argue that that is part of the price of maintaining this nation; it has been a price we have paid from Confederation on, and I think Canadians are willing to pay it. We believe we should be moving to the all-Canadian pipeline now and not dealing in a specious manner by saying that we ultimately will support it. when in fact by building a southern pipeline you are destroying the economic viability of a northern pipeline at any time.

There are one or two other reasons which I think justify it. I think that the crisis is over for the time being. And don't let the minister get up on his political podium and beat his breast as a patriotic Canadian, saying that he is willing to act in the interests of all the rest of Canada and that we are sort of ignoring those interests. Nonsense. That's a bit of political garbage. We are just as mindful of those interests too.

If we had done a little bit of planning down through the years, instead of always reacting to crises, we would have been planning for this some time ago. But we got ourselves locked into the southern pipeline—and I will agree that everybody, including the New Democratic Party for a time, supported the proposition because we thought we genuinely had a crisis. But to a considerable extent the proportions of that crisis have subsided.

I noticed in the paper yesterday that Imperial Oil is going to be taking a great deal more crude oil, through the water routes, down to Montreal. I suggest to you that it would be possible to establish a short-term crash programme to get whatever resources are needed from offshore or western Canada into Montreal to meet the needs there for the next year or so. You can be blessed certain that Quebec and the Maritimes aren't going to be short—mainly Quebec, because I think the Maritimes can get enough offshore—and give us now an opportunity to do what we really want to do; to have a first choice not a second choice, because then the minister him-

self concedes that the southern route is really a second choice.

So let's quit kidding ourselves and the public and everybody else that we are in favour of the proposition of ultimately having a line, because you are destroying the economic viability of an all-Canadian line by building the southern line, and if the southern line is the kind of thing that the farmers are still opposed to, I invite the Minister of Agriculture and Food to get up and not be such a panty-waist champion of the farmers, not champion them because it suited his political purposes for a month and then say he got all of the facts and, having got all of the facts now, he is going to accept the decision.

I suggest to the minister that wherever the pipeline is built you should proceed with the kind of stipulations you have in your intervention, that there must be new standards and there must be inspectors and there must be training of those inspectors and they must be on the job all the time so that the companies can't get away with the freebooting that has characterized their operations in the past.

But in addition to that you should go to Ottawa and say to the National Energy Board: "Conditions have changed. We really are in favour of an all-Canadian pipeline."

Hon. W. A. Stewart (Minister of Agriculture and Food): Come to think of it, I believe I should—

Mr. MacDonald: Did I hear the Minister of Agriculture and Food say that he should do that?

Hon. Mr. Stewart: No, it had nothing to do with what you are saying, my friend.

Mr. MacDonald: Well it should, that is the problem. When it suits your politics you champion the farmer, when it doesn't suit your politics and Tory politics dominate, then the farmer gets lost in the shuffle and you are no more of a champion than anybody else. That's the problem of our Minister of Agriculture and Food, as I interjected this morning; he is a loner, an isolated, impotent individual within the cabinet, because the cabinet really isn't in favour of farmers and the protection of their interests.

However let me get—

Mr. Chairman: Order please.

Mr. MacDonald: I knew you were getting worried, Mr. Chairman.

Mr. S. Lewis (Scarborough West): As soon as he said impotent you got nervous, Mr. Chairman.

Mr. MacDonald: I hope I haven't been so provocative that I cannot get a quiet, rational reply from the minister as to why it isn't possible for him to adopt that degree of flexibility—which I will concede he has adopted in a fast changing kind of picture in other aspects of policy—why he can't adopt that kind of a stance, or why that kind of a stance can't be adopted by the Province of Ontario when they go before the NEB. Does the minister really believe, in his lip-service to an ultimate all-Canadian line, that it will ever come if we build the southern one now?

Hon. Mr. McKeough: Mr. Chairman, we dealt with this a week ago last Thursday at some length. I made some unemotional comments at that point. I would suggest the member read them. I have nothing further to add to what I said the other day and, with respect, I don't think the member has added anything to what he had to say the other day. If we want to go over it again we can.

Mr. MacDonald: Well just a minute now.

Hon. Mr. McKeough: I don't think, with respect, the member has said anything he didn't say the other night, and I really have nothing to add to what I said the other night.

Mr. MacDonald: In short, that you don't think there is any justification for going to Ottawa at least to review the proposition as to whether a northern route, for a variety of reasons, isn't now feasible rather than being locked into the second best on the southern route?

Hon. Mr. McKeough: We went through this the other night, Mr. Chairman. We can go through it all again if you like.

Mr. MacDonald: What did you do? The other night you said you agreed on the southern route, and you agreed on the southern route because it was done at a time when this nation faced a crisis; and you patted yourself on the back that you were a patriotic Canadian and we were ignoring the interest of Canada. That's what you did.

Now I'm saying conditions have changed. I know the minister doesn't want to deal with the issue again. He doesn't want to take a flexible approach here. He wants to cop out on it, because it is mildly embarrassing. He knows that his Minister of Agriculture and Food would love to get out and champion the farmers once again but he's been locked in and shut up by the cabinet position.

Mr. Lewis: That is right; muzzled.

Mr. MacDonald: Sure, muzzled. He certainly was speaking a lot when he was unmuzzled. He's not speaking now, so one concludes he is muzzled.

Mr. Chairman: Order.

Mr. MacDonald: It is simple logic. It is a cabinet decision. However, if the minister is not willing to act as a Minister of Energy and champion the interests of Ontario and the consumers of Ontario, let him concede it. Let him admit it by his persistence in being silent, because no part of this country is going to benefit more from the building of that line than northern Ontario. We have listened to an awful lot of claptrap about this government's interest in northern Ontario but I'd like to see some indication of its willingness to back up these idle political promises with some reality in terms of policies. Here is a chance for you to do it and apparently you won't.

Mr. Chairman: No more comment from the minister? If not, the hon. member for York Centre.

Mr. Lewis: May I comment on the same subject for just a moment? May I ask the Minister of Energy, recognizing that you have opted for the southern route and you have put the northern route aside, what think you of the interesting arguments that have been made about that portion of the pipeline which would fall between Sarnia and Toronto and the two existinfi 20-in. pipes carrying a volume sufficient that, were we to close the contracts with the refineries in Buffalo, we would have enough capacity in those pipes not to have to build anything between Sarnia and Toronto, thereby preventing the disruption of the agricultural land which the Minister of Agriculture and Food and others feel most strongly about?

Hon. Mr. McKeough: I read the member's remarks a week or so ago, in London I think it was. We are exporting about 135,000 barrels, going through the line to Buffalo. That will not, of course, be sufficient for eastern Canada even at the minimum amount of 250,000 barrels which is to go through. It will not provide for growth. I point out that in terms of growth we are looking at such things as about 75,000 barrels, hopefully, for the Texaco refinery at Nanticoke, which will replace imported product. We are looking at probably 100,000 barrels a day before we are through, at Wesleyville and Lennox. We are looking at 170,000 barrels a day for Ontario's needs in terms of the Petrosar project. Simply to cut off the 135,000 which is presently going to Buffalo doesn't really accomplish that much.

The member also talked about surplus in the line. The surplus capacity exists when there is a movement by ship but it can't be counted on. That is the point I was making.

Mr. Lewis: That is really quite interesting because you have already used figures which my arithmetic tells me add up to 345,000 barrels a day for specific Ontario use and you haven't included the Oakville refineries which are expected to increase their consumption of barrels per day over the next little while. What will be left in this line for eastern Canada now that you describe all of the additional that Ontario will use?

Hon. Mr. McKeough: No, it is what will be left—the subtraction of what is going to Buffalo won't achieve very much; that is the point I am making.

Mr. Lewis: Will the new line achieve it with its capacity? I hadn't realized Ontario intended to take quite so much of the capacity which even the new line has.

Hon. Mr. McKeough: The potential of the new line for Lennox and Wesleyville exists; it is not there at the moment. That is the only part of it which would come off the new line. What is already coming to Ontario is going to have to be added to, plus what will go through on the new line. We are confusing lines there.

Mr. Lewis: You are saying that if we moved the existing pipes to capacity, plus what might go to Lennox from the new line, we would cover our needs and those of eastern Canada as well, but that it is still necessary and the present 20-in. pipes which we are now using cannot handle both. This is what you are saying? I am sorry; I am putting that badly. Even if we cut off what we export to Buffalo, we could not possibly handle it because of the increased requirements for Lennox, etc.?

Hon. Mr. McKeough: Yes.

Mr. Lewis: I must admit I had not realized that.

Hon. Mr. McKeough: I will give you a breakdown of those figures. I have them very roughly, but I will give you a breakdown.

Mr. Lewis: The figures I used were put together by the federal New Democrats and were largely used by Cyril Symes in the Soo

when he was making a case for a northern route as opposed to the southern route and was trying to raise some of the questions about the viability of the southern route. Now I know the figures used were legitimate; in fact, I see them confirmed. I must admit I hadn't recognized the increased demand in barrels per day that you are talking of, over and above the existing pipes. If you do have a breakdown of that, I would appreciate it.

Hon. Mr. McKeough: I will get it worked up for you.

Mr. Lewis: Thank you.

Mr. Chairman: The member for York Centre.

Mr. D. M. Deacon (York Centre): In connection with the construction of Hydro transmission lines, going back to that subject—

Hon. Mr. McKeough: I beg your pardon?

Mr. Deacon: In connection with the construction of Hydro transmission lines, one thing which came out of the Solandt hearings was that in North America the types of tower we are using and the capacity of the lines are substantially less than those that are being used in Europe where the available land on which these lines can be constructed is much more restricted.

Would the minister tell us what has been the experience in Europe under weather conditions there with regard to failure of the lines due to collapse of towers under the conditions of stress because of storms and that sort of problem? Has the failure rate been any worse than that experienced in North America with the type of towers and transmission lines under which we operate? Could the minister tell me if there has been a worse experience over there with their lines, which apparently have a much greater capacity?

Hon. Mr. McKeough: I simply don't know. We can get that information.

Mr. Deacon: I would appreciate that. It seems to me that we have to think of ourselves in southern Ontario as living under conditions similar to Europe. And because there is so much more intensive development of our province necessary, in this area we should think in terms of developing towers that would resist breakdowns to the same degree at least as they do in Europe. My understanding is that in Europe they have not suffered any more from severance of service due to storms than we have; and I don't think the weather conditions are much different.

Mr. Chairman: Shall votes 1801 and 1802 carry?

Votes 1801 and 1802 agreed to.

On vote 1803:

Mr. Chairman: The hon. member for Huron.

Mr. Riddell: Mr. Chairman, in connection with this vote on the Energy Board, once again the people of Ontario are facing increasing costs, according to the news yesterday of Ontario Hydro submitting its application to the Minister of Energy for an increase in wholesale power rates for 1975. The new rates would mean an increase of about 15 per cent to municipal utilities, which buy in bulk from Ontario Hydro, and for large industrial users served directly by Ontario Hydro an increase of about 16 per cent is proposed for 1975. They haven't indicated as yet what the rate will be for some 680,000 rural customers who receive power directly from Ontario Hydro, but there is no question those rates will increase as well.

My question is, owing to the fact that Ontario Hydro is a Crown corporation and that you as Minister of Energy are one of the representatives in this House elected to serve in the best interests of the people of Ontario, are you going to present a brief to the Ontario Energy Board to oppose this rather excessive increase?

I say it is excessive, although I am prepared to admit that costs have gone up. There is no question about that. The cost of labour, the cost of equipment and the cost of fuel have all gone up. But I am not prepared to admit that the costs have gone up so much as to warrant a 15 per cent increase.

I would just wonder if you were prepared to present a brief to the Energy Board to oppose this increase?

Hon. Mr. McKeough: No, Mr. Chairman. That's not the function of the Ministry of Energy. The Ontario Energy Board reports through me to this Legislature. It would hardly do for my ministry to be appearing before an emanation or an adjunct of our ministry. Certainly what the Ontario Energy Board is going to try to determine is whether that 15 per cent is correct or whether it should be 14 or 13 or 10 or 18. I suppose it's conceivable they may say that in their best judgement Hydro is on the low side. I don't think we should preclude that.

To do that, they will have whatever resources they need and that they can marshal

in the time that is available, including anything that we can provide them from our ministry, and anything that can be provided from Treasury, Economics and Intergovernmental Affairs and any other ministry of the government. But, essentially, they run the review themselves and will come to their own conclusion. We are not competent to do it. One of the historic problems has been that there hasn't been, within government anywhere, the competence to determine whether Hydro was right or not. I have no inclination to say that Hydro was not right in their pricing policies over the years; but there was no competence—perhaps there was one person within government—to assess the validity of Hydro's rate increases from time to time. And that's precisely what we are trying to build up now in the Energy Board. It's a bit of an uneven struggle because there are 22,000 people at Ontario Hydro and there are —what?—29 at the Ontario Energy Board. But right will win.

Mr. Riddell: Then I am to assume that Ontario Hydro will certainly be presenting their picture in front of the Energy Board, and I would imagine they will do this very capably. But then who is going to present the picture from the standpoint of the consumer?

I mean, there are always two sides to everything and the Energy Board, as I understand it, are completely neutral. They are to listen to the briefs that are presented and try to determine whether the rates are justified. But we all know that Hydro will do a tremendous job of trying to justify these rate increases.

I'm just wondering, Mr. Minister, is Hydro now operating at full capacity?

Hon. Mr. McKeough: Do you mean today —or on a daily—

Mr. Riddell: Yes, at the present time.

Hon. Mr. McKeough: I suspect they are. They may have some of the coal-fired plants down from time to time for environmental reasons, but certainly if you're looking at the last year, with the success of Pickering, with no problems at Douglas Point, with no problems really of a mechanical nature at any of the generating stations, water-powered or coal-fired, Hydro operated at a very high rate throughout the past year. High water levels were another factor which allowed for the production of perhaps more water-power electricity than would be normal in the past 12 months.

I haven't asked, but I assume the first quarter of this year is roughly on the same basis, that there have been no problems. I think one of the units at Pickering is to come down later this year to be repaired, but as far as I know, that's just normal maintenance.

Yes, they are at their theoretical capacity.

Mr. Riddell: Is Ontario Hydro then producing more electricity than is used here?

Hon. Mr. McKeough: Yes.

Mr. Riddell: So we're exporting about what percentage?

Hon. Mr. McKeough: At a peak, if you net out for the whole year, I would imagine that the export figure might have, last year, run to perhaps 10 per cent of the total. I don't think it was that high—it was 10 per cent? Let's say 10. It varies. At some periods in the year—even last year—we are importing; at other time of the year we were exporting a great deal. What the hon. member is coming at is a matter which has been in front of the Energy Board and on which they have not yet given a decision. It is a matter on which the Energy Board spent more than a few days and to which Mr. Macaulay, in his closing testimony, devoted a great deal of time and attention.

What the member is getting at, and this is one of the matters that I specifically referred to the Energy Board for review, is the whole question of a reserve margin. Hydro is not authorized to build, nor have they ever built, to produce one megawatt of power for export purposes. In terms of present policy, that is not what Hydro is constituted to do.

What Hydro does say, as does every other utility, is that we have to build more than we need in case anything goes wrong. That is known as the reserve margin. The present reserve margin of Hydro is about 21 or 22 per cent. The North American standard, which nobody has achieved but which Hydro would like to head for, is 27 per cent. It is really 127 per cent of what you need. As the units get bigger there is some argument that the reserve margin should go up.

From a lay point of view, there are not many of us who can afford to build 127 per cent of what we need. But if a unit goes out, if we have low water, if there was a breakdown at Pickering, then that is what the 27 per cent, or 22 per cent, or whatever the figure is, is used for; so there aren't any disruptions.

I said everything was working well last year. We brought Pickering onstream in

record time and with 84 per cent capacity factor during the year, which is very high; with high water, and essentially with American pull and Americans who wanted the electricity, we were able to export a considerable amount of that difference between 100 and 122 because everything was working well.

Another year, if we run into low water or a coal strike and a breakdown at Pickering, we will need every bit of that power for our own use. We could be importers again. I don't see that happening in the foreseeable future but it could happen.

Now what has been referred to the Energy Board for discussion, and on which representations have been made on by a number of groups, and what Mr. Macaulay questioned vigorously, is the adequacy of that 27 per cent or 22 per cent or what that figure should be. Some people think we can take more of a chance and it can be less than 27 or less than 22. This is worked out on probability tables to a possibility of a brownout every 10 years or every 50 years, that sort of thing.

That is one of the things, a large thing really, but one of the things to which the Energy Board is directing its time, its attention, its consultants' time and staff in their hearings. It is important, because really the generation programme flows from that; and from the generation programme flows the financial position of Hydro and from the financial position flows the rate structure.

Now it is not going to be all wrapped up in a nice, neat little bundle because the Energy Board says — and Hydro and the government agree — that we can get along with 21 per cent reserve margin forever. I just picked that figure out of the air. It is not as simple as that, but it is a very keen component. Much of the criticism of Hydro's exports from time to time comes from a non-appreciation of the fact that there is a reserve margin, that the reserve margin is healthy, and that all has been going well and therefore we have been in a position to export more in the last three or four years. That was when the turn around was. Before that, quite often in some years, we imported more.

Mr. Riddell: Am I correct in assuming, Mr. Minister, that the $15 billion expansion programme is an expenditure which Hydro feels has to be applied in order to meet the future demands of our own people? In other words, it is not being used to generate a lot more electricity so we can export that much more into the United States?

Hon. Mr. McKeough: No.

Mr. Riddell: Well I am glad to hear that, because I don't think that our own Ontario consumers should be paying for a programme that is designed to generate electricity in order to export to the United States, and I can understand that we probably do need this reserve margin to which you are referring.

Now in this information sheet that I picked up yesterday, the one that was sent to the press, it states here:

> In its Feb. 28 written submission related to the Energy Board's review of Hydro's financial policies and objectives, Hydro presented three alternative financial programmes but later indicated its preference for continuation of the 1974 financial programme.

I am wondering if the minister could just briefly outline what the three alternative programmes were and what this programme is that Hydro have settled on?

Hon. Mr. McKeough: No, I really couldn't. It's in a book this big and a backup book about that big, and that's what was put in front of the board. It's enormously complicated. That's been the problem, I think, which we finally faced up to last year in asking the Energy Board to review this. We used to review Hydro's options at the standing committee in the morning and we had no more idea of what we were doing than flying to the moon.

Mr. Lewis: In fact flying to the moon might have been easier.

Hon. Mr. McKeough: It might have been easier, yes.

Mr. E. R. Good (Waterloo North)**:** Not with that report.

Hon. Mr. McKeough: But the three options were a variation, really, in terms of a return on equity, maintaining the debt-equity ratio, and of improving the debt-equity ratio. These were just various tests of what they were trying to prove.

They made a start last year, really, and determined last year—Hydro did this—to set their rates so that the existing debt-equity ratio would not worsen. And this was one of the options they would have this year, either to improve on it, and many people would think they should—the OMEA, for example,

at one point wanted to wipe out the whole debt. That's an over-simplication, but what they are doing is holding the present debt-equity ratio; at least that's what they are proposing to do in the option which they accepted.

Mr. Riddell: One final point and then I will turn it over to somebody else.

A statement that came out in the paper, which Mr. Macaulay was alleged to have made—he maintained that he was taken out of context, but I can't believe that he was taken that much out of context when he said that it was impudent for anybody to question him about the hourly rate or the amount of money that he made up to the present time. And then he went on to say that it was impudent for anyone to question him about anything.

I am wondering, if this is the case? Owing to the fact that he is counsel for the Energy Board, can he not be questioned by members of the Legislature; or have we actually witnessed the second coming?

Hon. Mr. McKeough: I have not seen the clippings. I have not got around to reading last Saturday's Toronto Star. I expect to this weekend.

I think we are talking about a bit of a tempest in a teapot. I understand there were retractions, there were criticisms. I think it's a tempest in a teapot, quite frankly.

As I stated here last night, the important part is not what Mr. Macaulay is being paid but the work he is doing. As I indicated last night, as far as I am concerned he is earning every penny of it, if not more.

Mr. Riddell: I am not questioning the ability of Mr. Macaulay, but I still think that as long as he is performing a service for the Ontario government he can be questioned by members of the Legislature.

Mr. Chairman: Thank you.

Mr. Lewis: Mr. Chairman, I suspect Mr. Macaulay's irritated response related more to the source of the questions than to their authenticity.

Hon. Mr. McKeough: I can understand that.

An hon. member: Isn't that blasphemy?

Hon. Mr. McKeough: It doesn't bother me.

Mr. Lewis: Not any more; lessons having been learned, one relapses into somnambulance.

I wonder, Mr. Chairman, whether I could ask the minister this. It's just inconceivable to me that Ontario Hydro can possibly increase the rates to the extent that they indicate they would wish to, without some kind of consumer outcry, without some kind of tremendous public response. My arithmetic capacities are very limited, but as I work it out what Hydro is asking for in the area of municipal utilities – and for that matter probably the rural customers—they are asking for an increase of 100 per cent in five years.

If one takes approximately 15 per cent a year and simply multiplies it cumulatively, it works out very close to 100 per cent over five years. How can we possibly have a doubling of Hydro rates in five years in the Province of Ontario? It is just inconceivable. There are too many people on fixed income; too many rural customers; too many who are too vulnerable. Well that seems to me to introduce matters of very profound economic policy on the part of the government.

It is the Ontario Energy Board that should —let me try to put it another way. On the face of it—whether one is looking at debt-equity ratios; or whether one is looking at the contingency rate stabilization fund; whether one is looking at increased costs—on the face of it, it might be possible to say that the increase should be 15 per cent a year for five years; but doesn't that raise major matters of economic policy which are governmental rather than those of the Energy Board?

For example: Over what extended period of time might the debenturing take place in order to relieve people now and in the next few years from the inordinate costs which Hydro is asking?

Is the Ontario Energy Board going to look at it in that context, or does the minister at some point kind of intrude himself into the argument and say: "While on the face of this one could argue for doubling Hydro rates in five years; that is socially intolerable in Ontario. We can't do that and therefore we are going to work out a new method by which Hydro is financed over a protracted period of time so that we can somehow amortize it rather less brutally for individual consumers."

When does all this take place? For Hydro simply baldly to put out this kind of release is to invite very great public antagonism.

That will grow. That will grow as the first 15 per cent rate is applied. Can the minister talk a little about it?

Hon. Mr. McKeough: Well, remember the the whole rate-setting structure and the financing of Hydro, was examined in really great depth by Task Force Hydro. It left a number of unanswered questions; again which is why we wanted the Energy Board to review some of these questions.

Where do we interject or where do we start to become involved? Well obviously we are concerned with that kind of a rate increase, and particularly over a five-year period. It is staggering. Obviously we are going to have our talks when we see what the Energy Board has to say, from a social and broad economic picture rather than from an individual situation.

The other place will be as and when Hydro completes or when the Energy Board completes, its report on the phase 2 study. Phase 1 was the generation programme and phase 2 is the financial policies on the basis of which the rates are being developed. It is going to be probably two or three months before that phase 2 report is done. Phase 1 is going to take some time to come out.

I think we will want to take a look at that. Hydro undoubtedly will want to take a look at that. If the Energy Board disagrees, for example, with some of what the underlying policy is, or if the Energy Board says that one of the generating stations in phase 1 is not necessary in the period, then that changes the end figure which is worked out to 15 per cent to the utilities.

So it is not time yet—because we haven't got enough in front of us. But I think there is a point where we have to look at what the Energy Board has said. And Lord knows the last thing to be looking at, I suspect, is the fact that you can't tinker with the amortization period much further. I think many would say that Hydro was amortized about as long as it can be.

What is even more worrisome, at this moment in time, very worrisome, is the cost of money in terms of what they have to spend in the next few years; and not only the cost but the availability of long-term money. Hydro's whole financing programme over the years, or practically all of it, has been built on 30 and 40-year debentures. I don't know where, today, you can sell—unless you pay a big price—where you are going to sell a 25-year debenture.

If it is going to be short-term, that really is all the more reason why they should be paying more as they go, instead of putting it on the debenture load. It is worrisome.

I guess I am not giving the member a very good answer to his question, but I agree that there are social and economic problems that can be created, even if this rate increase makes complete sense as far as Hydro is concerned, and is the minimum, let's say, that can be done to maintain Hydro's viability. There is obviously a broader social question with which the government may well have to concern itself.

Mr. Lewis: Well I appreciate your reply. You used the term "staggering"; obviously it is true. I said it was inconceivable; obviously that is wrong. It probably is conceivable and it may well happen, but it won't happen without rebellion in the streets, using a slightly hyperbolic phrase.

So when do we in the Legislature get a chance to have debate on, reflections about or participate in the kinds of basic economic considerations that you are talking about? I appreciate your willingness to raise these things, but isn't it time now to begin to examine publicly the extraordinary alternatives which must present themselve?

I listened very carefully to the minister, and this is what I heard—you tell me if I am wrong. I heard the minister tell me that Hydro's rate increase applications would mean a staggering increase—to use your word—over the five-year period, if they occur. All right. That is No. 1.

No. 2: We both concede that at 15 per cent a year, Hydro rates in Ontario will double over a five-year period. Well I just can't get over that, and I didn't realize it until I did some multiplication.

Hon. Mr. McKeough: Let me just interject one thing. This is not a red herring. I am not sure of the breakdown between the Hydro costs and the municipal costs, the distribution costs. What we are talking about as far as you and I as consumers are concerned, if we are in a utility, may not necessarily reflect in a doubling of the cost. The cost of power may increase—and I don't want to put in this red herring, but it is a little like the price of gas at the well-head going up three times; that doesn't mean our gas bills are going to go up three times.

As a matter of fact, I believe I saw this morning that it worked out to probably 10 or 12 per cent. It may be more than that; it may be 20 per cent. But it isn't 300 per cent. We should guard what we are both saying in that context, but it is not nearly as valid as it is in the case of gas.

Mr. Lewis: Yes, I would have thought that, because when Hydro says the new

rates would mean increases of about 15 per cent for 1975 to municipal utilities, who buy in bulk from Ontario Hydro, and in turn supply the majority of Ontario's 2.5 million users, then there may be some marginal discount, but the figures are more likely to be approximate in this case than the red herring which you so neatly interjected and eschewed.

Having dealt with that, let's come back to the other matter. You are also agreeing that the social implications are again really quite frightening. They are impossible to consider in the case of fixed-income groups, impossible to consider in the case of low-income groups, impossible to consider in the case of rural users, who also welcome Ontario Hydro transmission corridors through their lands and Arnprior dams flooding their lands. The generosity of Ontario Hydro to the rural community knows no limits; it hasn't even set the rates for 680,000 rural users.

You are entering into a period of such crisis proportions around the cost of Hydro to the consumers of Ontario that it seems to me that you must introduce a defence. All right, the minister says, phase 1 was the major building programme of Hydro, before the Ontario Energy Board. In phase 2 are the financial implications. We are going to look at all that and see whether the rate increases requested by Hydro work out properly. Perhaps they are going to cut out one of the generating programmes.

Everything blurs in my mind but I spent part of Wednesday afternoon at Nanticoke and I was absolutely overcome. That place dwarfs humankind to the extent that it is difficult to recover after you have spent an hour or two in the premises. I imagine that Hydro was so infatuated with the possibilities for colossus after colossus across Ontario that there will be no way of containing the future development programme. It is irresistible—it is like airports; you just develop a fixation and they grow.

I suspect that the generating programme won't be diminished. I suspect further that the financial examination by Bob Macaulay or anyone else will show that whether it's 14 or 18, it's approximate.

So then what happens? What I think happens is that the government of Ontario steps in and steps in now. The Minister of Energy says: "Just a second. We cannot tolerate a 100 per cent increase in rates in five years so the basic economic policy underlying Hydro will now be re-examined."

You put before the Legislature the cost of long-term borrowing which Hydro has engaged in over the last few years and is expected over the next few years and we take a look at the implications of that. You put to the Legislature the problems of debenturing over a longer period or the amortization factor and why you think we have reached the limits. You put to the Legislature the whole question of the contingency rate stabilization fund and whether it can be used as a way of delimiting rate increases.

You put to the Legislature, in effect, a number of serious policy decisions in the financial and economic areas of Hydro. You don't just allow the disaster to overtake you. There are some things in this world which must be contained by simple common sense. To what extent the state subsidizes hydro-electric power — which is, I agree, another possibility—or to what extent you deal with it in a different economic way, this is the time to do it.

Hydro does none of this. Hydro puts out a press release that says: "We have submitted our application to the Minister of Energy for an increase in wholesale power rates for 1975." It doesn't occur to Hydro to say this is going to cause enormous problems for the consumers of Ontario. Hydro never says anything of that kind. Hydro simply announces rate increase application and all of the economic decisions which underlie it are not even broached.

I have put this to you and to others in terms of gas and oil. We have put it to you and others in terms of food prices. We have put it to you in terms of automobile insurance. Who protects the consumers of Ontario? Where is the protection? Why don't you, the day this kind of a release comes out, stand in the Legislature and say: "It is intolerable to double rates in five years and therefore we, as a government, are now examining the very rationale of the economic and financial decisions of Hydro over the next period of time."

The Ontario Energy Board simply assesses the application and decides whether it is right or wrong. The Ontario Energy Board is not empowered to alter the major economic policy surrounding Hydro. That is not the use of the Ontario Energy Board now. That is not how you envisage it. They are subjecting Hydro to a scrupulous examination of its programme. That is why I wasn't as willing to jump at Bob Macaulay as others were, because this is the first time in a long time this has happened. And some, including

my colleagues, tell me he's doing a pretty good job.

I will tell you, for $1,000 a day I would do a pretty good job for you, too. I would prefer to be a labour arbitrator, but I would be happy to be paid at roughly those levels. I have no other expertise.

The Ontario Energy Board is simply dissecting what it has in front of it. It is not making basic social and economic policy; and that is where you have to intrude yourself—right now, at this point in time—because you have a crisis in Hydro rates which boggle the mind.

Doubling the price in five years? Not even food prices, not even energy or oil and gasoline prices are verging on that kind of disproportionate effect on the consumer.

Surely it isn't simply a matter of vagaries. It isn't simply a matter of reassurances. It isn't even a matter of red herrings or diversion. It's a matter of your saying: "I'll make a statement on economic and financial policy, as it relates to Hydro, about what we as a government would like to see reappraised and what we will set in motion to protect the consumers of the province."

I think that should be done now and I think it should precede what the Ontario Energy Board is doing. You can be affected by their findings and influenced by their findings, but you have to give some guarantee that you know what the devil is going on, because this is called providing power at cost. This is a Crown corporation. This is the public interest; and Hydro is still running as though it was a freebooting, entrepreneurial venture. They don't understand the public responsibility; and if they don't then you must.

The Ontario Energy Board is but a kind of sounding board at the moment, without the powers which abide only in government. So I ask you for that kind of debate at some point, that kind of statement at some point, and that kind of assurance at some point. In fact, I would ask you to stand and say that the doubling of rates in five years implicit in this announcement will not occur and that you, as Minister of Energy for however many months more, will not allow it to occur.

Hon. Mr. McKeough: Mr. Chairman, I thank the member for his thoughts. There are several things that need to be pointed out. To begin with, the announcement says annual increases of 10 to 15 per cent are anticipated.

Mr. Lewis: Well?

Hon. Mr. McKeough: Do you want to strike it off at 12.5 then, as an average?

Mr. Lewis: I wouldn't saw it off at 12.5. You know what happens to those predictions.

Hon. Mr. McKeough: I don't think anybody knows at this moment.

Mr. Lewis: I would go above 15.

Hon. Mr. McKeough: I don't think anybody knows at this moment, nor can in a period of obviously changing prices and inflation. I think we have to put this in context. At the present rate, we have an annual rate of inflation approaching 11 per cent. On that basis, I suppose Hydro is four per cent over.

What they do point out in their release, and correctly so, is that the price of coal has increased something like 36 per cent. We are all aware of what has happened to the price of oil, which is in their projection. For a variety of reasons, the next couple of plants which come on stream will be fossil fuel plants, namely the rest of Nanticoke and Lennox. Some of the units of Bruce will come in, and Wesleyville comes on reasonably soon. So you have an increase in the use of high-cost fuels for the next few years, but that will level off.

Obviously what should be happening—and I am sure that this is something that the board will look at and perhaps Hydro are doing—is that the prices of fuels should be averaged and not depend on whether a Lennox comes on stream this year and a Pickering, which has no fuel costs, comes on stream the next year. Surely there's a way of averaging that out and taking out some of those peaks and valleys.

I don't disagree with what the member has said, but before the government jumps, and before I jump to the conclusion that ruin is about to approach the province because of this increase—

Mr. Lewis: Not ruin, just a great deal of cost to the consumer.

Hon. Mr. McKeough: Well very close to it. As the member got a little bit more worked up, we were really getting a pretty calamitous speech.

Mr. Lewis: No, it is calamitous for the consumers.

Hon. Mr. McKeough: You went beyond staggering and right into calamity I thought, as you got a little bit more worked up.

Mr. Lewis: Well, if I can't use words any more extravagant than yours, why am I over here? As you used staggering, you forced me.

Hon. Mr. McKeough: I thought as we were getting closer to lunch the member was getting more eloquent. I will put it that way.

At any rate, before I would come to all the conclusions that the member came to in his eloquence, I would want to know the facts. I think this is why we have to have the Energy Board report and various reports and why we want their view.

At the same time, obviously, the government is giving consideration, not just to the effect of this rate increase but to the increases of inflation. As you know, we have done some things.

We were asked here what about the civil service salaries. That's something, as I think the Chairman of the Management Board (Mr. Winkler) said, we have under consideration.

If we are going to be ravaged by the ravages of inflation, then that's part of a much larger package. Before we come to a conclusion on Hydro, we certainly want to know the facts. That's what the Energy Board has been asked to bring out and give us their views and recommendations on, remembering of course that these rate increases are not effective until Jan. 1, 1975, if they were all passed through at the same time. None of them will happen before then.

Mr. Lewis: I understand.

Hon. Mr. McKeough: So we do have some time to consider it calmly and dispassionately, and in due course have our lunch.

Mr. Chairman: The hon. member for Rainy River.

Mr. T. P. Reid (Rainy River): Mr. Chairman, we are all in a very reasonable mood this morning, so I'd just like to maybe get off Hydro for a moment—unless someone wants to continue that—and ask the minister if he can give us some more information on the recent arbitration award in Alberta, I believe, in regard to natural gas? The Premier has been quoted in today's paper, indicating that could mean—

Hon. Mr. McKeough: I think while the member was out—

Mr. Reid: We covered that?

Hon. Mr. McKeough: I think while the member was out we passed the first two votes, and we are on the board now. If you could find some way, I'll give you an answer.

Mr. Reid: Well, I thought that—

Mr. J. R. Breithaupt (Kitchener): Why don't you give that one answer?

Mr. Reid: It could be one of your usual—

Hon. Mr. McKeough: I just didn't want to set a precedent.

Mr. Reid: Well if I may, I am talking about the Ontario Energy Board, because I want to know what—

Mr. Chairman: That covers rates for the sale, transmission, distribution and storage of natural gas, as it says in the programme description.

Mr. Lewis: Oh, yes, he is right. It was a piece of impishness.

Mr. Reid: Thank you, Mr. Chairman, I appreciate that. Now that that problem has been solved, I wonder if the minister could indicate the effect of the Alberta award. The Premier was quoted as saying it would cost the Ontario consumer perhaps $100 increase in the next year for those using natural gas.

How does the arbitration award affect the Ontario Energy Board? Do they have any control over this supposed increase of $100? Where does the Ontario Energy Board come in on it?

Hon. Mr. McKeough: Not $100. I am not sure what the Premier said, but I think that if the price does escalate as of Nov. 1, 1975, to the 73 cents awarded by the arbitration board across the board, then probably it would average about $70 per household in Ontario. There are a couple of other things that are happening—transmission charges being raised, and so on—which might raise that from $70 to $80.

What does the Energy Board have to do with the 60-cent price or the 73-cent price? Really nothing, really nothing.

Mr. Reid: No control over that at all?

Hon. Mr. McKeough: No, the cost of gas really isn't part of the board's responsibility. In other words, when the board looks at the figures of Consumers' Gas, the cost of gas is fixed and there really isn't much they can do about it. They can look at every other figure and see if they are too high or low,

but they can't control that 60 cents, nor can I. The only people who can do that are either the federal government or the Alberta government. This was an arbitration which may or may not be completely legal and we are taking a look at that aspect.

But essentially that part of the setting of a gas price in Chatham or Toronto or Rainy River is really beyond the control of the Ontario Energy Board and it is really at this moment in the political arena, I think, rather than in the regulatory arena.

Mr. Lewis: Mr. Chairman, if I may return to Hydro for a moment, can the minister indicate what underlies the tremendous disparity in rates which are paid by different communities for the kilowatts they use? I am really taken aback by the extent to which it is true.

Let me quote some figures to you since they are really quite interesting, and I'd like to show you what has happened. In 1969, if you were using 60 kwh per month, it would cost $1.48 in Kenora and $3 in Peterborough, for a differential of 202 per cent in the costs. If you were using 100 kwh per month, it would cost you $1.89 in Fort William and $3.60 in Nepean township, for a differential of 190 per cent. If you were using 300 kwh per month it would cost you $3.36 in Ottawa and $7.40 in Nepean township, for a difference of 220 per cent. If you were using 1,000 kwh per month it would cost you $6.86 in Ottawa and $13.95 in Sandwich West, for a differential of 203 per cent.

Now, as I understand it, there was to be a systematic effort from that day to this to remove those enormous disparities by taking a close look at some of the individual utilities and see what was in their bank accounts or what other cost factors there might be, and to level them out. Yet I find that as of 1972-1973, if you're using 100 kwh per month, in Sault Ste. Marie you're paying $2.37, in Whitby $4.50, for a differential of—

Hon. Mr. McKeough: You should never have used the Soo.

Mr. Lewis: I shouldn't have used the Soo? Why?

Hon. Mr. McKeough: It's the most efficient utility in the province. It's privately owned.

Mr. Lewis: Well, fine. Privately owned? Well, you know, a privately owned facility—

Mr. MacDonald: You betray your prejudice and you undermine my faith as a protector of Hydro.

Interjection by an hon. member.

Mr. Lewis: I don't mind you betraying your prejudice. Of course, you're a private enterpriser.

Hon. Mr. McKeough: I don't really follow in the tradition of that.

Mr. M. Cassidy (Ottawa Centre): You're just a freebooter, that's all.

Mr. Lewis: It says something about the way in which Ontario Hydro functions. I know you're not a red Tory. I was once under that misapprehension, but I've learned better. You're just a sophisticated yahoo! But that doesn't mean that one doesn't enjoy your presence in the House—I didn't even finish my comparison.

In Whitby it would cost $4.50, and the differential is 190 per cent. For 250 kwh in Cornwall it is $4.55 and in Gloucester it's $8.40, a difference of 185 per cent. For 500 kwh in Ottawa it's $6.60, again in Gloucester $10.65, a difference of 161 per cent. For 1,000 kwh a month in Ottawa it is $10.10, in Sandwich it's $16.23, for a difference of 160 per cent.

It seems to me that the disparities are diminishing in the sense that there are fewer at a level of 190 per cent and over than there were. They're now 160 per cent and over. But, again, is there a matter of policy which can correct this? Is there some process? After all, we all pay for Hydro; it is a Crown corporation. One assumes that one could level it out across the province, as one tries to do in other programmes.

Maybe your private sector view of the world just is too much of a prohibition to allow you to deal with a public corporation in the public interest. Maybe that's the problem. I don't know whether the retirement of George Gathercole and the change of the board will alter attitudes, but what can be done about this? I admit to you, off the bat, I don't know.

Hon. Mr. McKeough: Well, we'll look at those figures. But in nearly every comparison, other than the Soo, which is a private utility—Cornwall too, I guess; wasn't that one on the list?—but at any rate, you're looking at new and old communities. That's not the only reason. The cost of power across the province is essentially the same as provided by Ontario Hydro to those utilities. But the internal workings of those utilities may be either more or less efficient—but that's not really what we're talking about here—and

it depends on how much of their local plant they have paid for.

If you want a comparison, Toronto Hydro's rates are less than they are in Scarborough because Toronto has paid for so much over the years, whereas I suppose Scarborough is just beginning to pay in their debenture debt for the cost of all the extensions of power. Now, that's the basic reason.

Also, over the years they have built up "an equity in Hydro," on which they were getting a return. Obviously the city of Toronto would be getting $1 million, I believe, while a lot of those little ones you mentioned wouldn't be getting anything. Task Force Hydro recommended that that should be done away with. The OMEA have agreed, and the board have now agreed, and it will be phased out over a six-year period. So it's going to take some time to level those things out.

But I think we'd better take a look at some of those other figures, and perhaps give you a better answer than I've given you.

Mr. Lewis: Okay, is the ministry at liberty to say, or has he announced the last appointment to the board of Hydro?

Hon. Mr. McKeough: I haven't seen a press release on it, but the Premier announced it to the Federation of Labour on Wednesday.

Mr. Lewis: So it can now be made public?

Hon. Mr. McKeough: I believe it is Mr. William Dodge, yes.

Mr. Lewis: William Dodge, almost formerly of the Canadian Labour Congress, but he has about two weeks to go; yes.

Mr. MacDonald: Constitutionally another 60 days before he steps out of office.

Mr. Lewis: Well, then, the votes will be 11-2 on almost every issue rather than 11-1. It will make a model distinction on the board.

Mr. MacDonald: Mr. Chairman, as I look at the clock I note that 1 o'clock is approaching and there are two or three matters I want to deal with as expeditiously as possible, and they are all on the Energy Board.

May I first make a brief comment on the board itself? When I think of the ludicrous charade that we went through for years in this Legislature with Hydro coming before the standing committee on government commissions with a 45-minute speech that brainwashed us all—and then we were given the privilege of asking questions for half an hour—it was really absurd.

Therefore, I must say that my reaction to the operations of the Energy Board by way of an improvement over that facade is perhaps overly generous. I have noted the kind of reaction of the odd citizen who felt that the administrative procedures of the board were keeping citizens from an opportunity to be there and present their views. I have noted the rather sharp criticisms that have been made by Pollution Probe of the board's operations, and more particularly of Robert Macaulay's operations. But it still is a vast improvement; and I just want to make this one point.

Review boards of prices in public utilities are a very, very necessary operation. But in Canada, when I think of the operation of the board at the federal level vis-à-vis barrel and freight rates and things of that nature, they too were a farce. They are paper tigers. They really don't delve into the situation in the kind of fashion that is necessary.

When you have a few little people with the municipalities of the country passing the hat and collecting $5,000 or $50,000 to cope with Bell, which spends a million dollars with its battery of lawyers, accountants and everything else, it was an uneven contest from the word go.

Therefore, the point I want to make is that it seems to me the board has got to be not just a passive board; but it has to be a vigorously aggressive, active board in terms of not just examining, but sharply questioning.

Now, I know that this is the approach of the board—theoretically this is the approach of our board. This is the role of Robert Macaulay. But some people are arguing—and I haven't had the opportunity to attend and come to my own conclusions—some people are arguing that all Bob Macaulay is doing is forcing Hydro to explain their position. He is not really challenging their position. There is a difference. It may be subtle, but it is really fundamental.

It is that kind of thing that is done, ironically, by some of the public utility review boards in the United States, that last bastion of capitalism. At least they are consistent. When they are dealing with the free enterpriser who is going to gouge the market and cut the corners and break the rules as much as possible, they really zero in.

I have cited many times the instance in California where they zeroed in on one of Bell's subsidiaries and said that they had

breached their allowable level of profits by three-eighths of one per cent and they had to cut it back—and even ordered them to reimburse their consumers; though that was reversed in the higher court. But it is that kind of vigorous approach we need.

I just say in the presence of the chairman of the board and others that I think this is the role, if it is going to do its job, that the Ontario Energy Board should play.

If it is true that Robert Macaulay is only asking for explanations, and not rigorously challenging the expansion programme of Hydro, or its financing or whatever, then I hope we can get into that. Maybe if he does, maybe if it is done, then it will ease the kind of problem that my leader has just been raising with regard to the government's obligation to come in and take a look at the social and economic factors in it.

Now let me move from that rather quickly —and I don't know what real purpose there is— but I am going to come back to it again. I was really taken aback with the minister's reaction to my proposal in the leadoff that the power should be extended to the Energy Board to have a review and rollback role on prices in the petroleum field. As I read the record, all the minister said was that he was viewed in Calgary with some interest and conceivably approval, but he was awaiting the appeal to the courts. Well, what is he procrastinating for in awaiting the appeal to the courts in Nova Scotia? The appeal to the courts is idle. We know that the province has jurisdiction in this field.

I have the feeling that the minister has about 100 excuses that he is going to resort to in succession. And indeed, when the first hundred is over he will have another 50, because his determination is to do nothing. This is what I want to get at.

I mean, the minister tells them out in Calgary that there has been a great backlash at the proposition of the increase in consumer prices in Ontario because of the jump from $4 to $6.50 for a barrel of crude. He tells them out in Calgary that there has been a backlash stronger than he would have expected, and then goes on to point out his being impressed with the rollback capacities of the Nova Scotia legislation, and he points out the fact that the Imperial Oil company has said, "We charge whatever the market will bear" and says this is no longer an acceptable philosophy. In fact, he then adds:

> That is the industry's problem, that the spillover effect of public opinion calling for, demanding government action, can only be ignored by government at the politician's peril.

Well, Mr. Minister, you are a politician and you have admitted that you are in a bit of peril. I would think you would be logical, not only in terms of the reaction to this traditional philosophy of Imperial Oil and the free-enterprise sector, but of your obligation to protect the consumer. I mean, what are you waiting for in bringing in an amendment and extending the powers to the Ontario Energy Board so they can take a look at it?

You see, interestingly enough in the speech in Calgary, the minister said:

> I suspect the backlash arises more from the two or three cents extra that the companies are going to rip off beyond the seven or eight cents that presumably they are entitled to because of the increased . . .

Hon. Mr. McKeough: I didn't say rip off.

Mr. MacDonald: No, I am just giving your words the kind of meaning that you intended but which you couldn't, because of your inhibitions, say. That is your problem.

Interjections by hon. members.

Mr. MacDonald: However, let me not interrupt myself.

The main problem was the two or three-cent ripoff and surely the minister will agree that there is an obligation on somebody, and surely he will acknowledge that the Energy Board is the appropriate body to examine that extra two or three cents.

In fact, I have been rather fascinated. Shell has said they are not going to do it. Something funny is happening in the coterie at the moment. Shell has said they are not going to do it. I am not aware that any of the other companies are following Shell's suit on this issue. Isn't that all the more reason why there should be an examination of it? If Shell is going to forego this extra two or three cents, why then should Imperial Oil and Gulf and Sunoco and all the rest of them be taking it?

But you know, Mr. Minister, I go one step further. I don't accept the proposition that seven cents is justified—or your rather cavalier adding of one more cent to it; it is only another $43 million or whatever it is; saying that eight cents is justified when you were speaking in Calgary. I am

not certain that that is the case. I am not going to take time to bother the minister with telling him the profit levels of the oil companies because he immediately comes into a counter-offensive and explains why the profit levels aren't very high.

Hon. Mr. McKeough: It really is not under this vote either.

Mr. MacDonald: He is not making excuses for the companies—heaven forbid that he should be making excuses for the companies—but every second time he speaks he is rationalizing their alleged high profit levels, that they are defensible, that you have got to take them on the whole year's basis, and that you have got to remember all the hardships that they have had.

Well, I point out, as I did a moment ago in reacting to his position in this connection, that the oil companies have developed because they were operating out of the public purse to a very great extent. They were paying no taxes when everybody else had to pay taxes and therefore the public purse is being used for this development purpose.

I submit that the Energy Board should now have the power to examine these "excess profits" and to roll back the prices so that they will disappear. Because, Mr. Minister, surely you—even you— will concede that if the oil companies had been making this rather impressive increase in profit, whether calculated on a quarterly basis or an annual basis, when the barrel of crude was selling at $4 and now it is up to $6.50 or $6.70, what do you think the profits are going to be a year or so from now? They are obviously going to be even more indefensible.

So my question to the minister is why? What is the reason for your delay in bringing in an amendment to give it to the Ontario Energy Board? I'd like an answer to that before I come to my final point.

Hon. Mr. McKeough: Mr. Chairman, I've given the answer before. This doesn't come under this vote, by the way; it obviously doesn't. It is not the policy of the government as to what goes to the board and what doesn't go to the board and how the board's Act will be legislated. But I'll give the answer again – it has been given by my leader on half a dozen occasions – we think it is better done nationally than it is provincially.

Mr. MacDonald: Oh, no.

Hon. Mr. McKeough: The member got awfully upset – no, he didn't; that's wrong –with the remarks of the Minister of Agriculture and Food this morning–

Mr. MacDonald: No.

Hon. Mr. McKeough: –in terms of nationally subsidizing things, food commodities.

Mr. Lewis: The minister was quite right this morning.

Hon. Mr. McKeough: It is the same thing.

Mr. MacDonald: We agree with him. We always agree when he is right.

Mr. Lewis: We always agree when he answers the Liberals.

Hon. Mr. McKeough: It is exactly the same principle as here.

Our other great reason is we want to be convinced, insofar as we can be, that if something is developed it works; that it will work and that it will stand up and that we don't simply legislate something for the sake of legislating something or arrange hearings for the sake of having hearings. We are still learning – this is not a justification – we are still obviously learning a great deal about the Hydro hearings and about how we examine Hydro. It's taken us nearly a year to gear up to this first phase and the member and the member's leader have made some valid criticisms of the point we've arrived at and I would agree.

I think Probe's criticism was somewhat unfair. I won't go into the reasons why I think it was unfair – it doesn't matter – but I would simply say, in conjunction with Hydro, we are not satisfied and won't be, I suppose, for some time that we've reached a perfect state of affairs as far as an examination either of Hydro rates or of gas rates is concerned. I said in a speech the other night in Oshawa that I'm giving some consideration – I haven't even discussed this with the board – to the idea they may want to hold some hearings in the province before they start a Hydro rate review to simply give the guy off the street you talked about a chance to come and sound off and to make notes of what the concerns are.

There is also the question on which I've built up a file over a period of over a year now and which I haven't resolved in my own mind but which is touched on – that is, the positioning of the board and whether it should be in this ministry at all. A corollary to that is whether the counsel for example, should be, in the Attorney General's office or in the Ministry of Consumer and Com-

mercial Relations. Those are things which I can only tell you we are looking at. There is the whole question of outside counsel; obviously, even at a reduced rate, we can't go on using outside counsel forever, or at least, not to the extent that we have. Those are things which we are considering in conjunction with Hydro and which we have before us.

Mr. MacDonald: Let me react very briefly. Those are excuses 102 and 103 and there are another 900 more; obviously you are not going to do it.

However, let me indicate rather quickly why you've got to move. I was fascinated to read a clipping to the effect that the minister a year or so ago—

Mr. Chairman: I'd like to remind the member for York South he has about half a minute left.

Mr. MacDonald: Right; now you've taken 10 seconds of my half-minute. Otherwise I'd have been almost finished.

Mr. Reid: You just took another 10 seconds.

Mr. J. M. Turner (Peterborough): You just took another six seconds.

Mr. MacDonald: On Sept. 6, 1973, the minister indicated that perhaps the government should subsidize the extension of the western oil pipeline to Montreal; that it might be justified in the national interests. I happen to have a research bulletin from one of the downtown investment companies, Geoffrion, Robert and Gelinas Ltd. Let me read you one paragraph of one of the bulletins they put out with regard to International Pipeline Co.

They are talking about two factors which are going to contribute to the future financial well-being of the company and the second factor is this:

> The tariff charged by IPL will be so small in relation to the asking price of foreign substitutes that it appears certain that the company will be allowed to maintain its traditionally high return on equity without the threat of drastic tariff cuts feared in some quarters. In fact, maintenance of IPL's customary levels of return is one of the conditions of the company's construction of the Montreal pipeline.

In other words, they've had high levels of return.

Hon. Mr. McKeough: Sure.

Mr. MacDonald: They demanded that they will retain them and they have used the excuse that the cost of oil is so high now that our high level of return really gets lost in the shuffle and is relatively meaningless. And this, presumably, is the basis upon which they were given the contract, that all of this might be maintained. I suggest to you, Mr. Chairman, this is just another of the kind of thing that an energy board should be zeroing in on in a serious way and examining.

Hon. Mr. McKeough: Mr. Chairman, our's is not a national energy board and the interprovincial pipeline is regulated as a federal undertaking, not by a provincial board. The hon. member knows that.

Mr. MacDonald: Touché. The minister has something of a point, if the federal board will really be doing it. But since it is going to be servicing the consumers of Ontario, whether you do it or the Energy Board does it, in protecting that, what I am looking for, Mr. Minister, is somebody who might champion the consumers and I have lost faith that you will give it.

Mr. Lewis: We can't get it from anyone over there.

Mr. Chairman: Does vote 1803 carry?

Vote 1803 agreed to.

Mr. Chairman: This completes the estimates of the Ministry of Energy.

Mr. J. F. Foulds (Port Arthur): Mr. Chairman, before the committee rises and reports, I would beg your indulgence to introduce to you a group of 110 students and nine adults from St. Lucius Separate School of the great riding of Port Arthur. They are in both galleries.

Hon. Mr. McKeough moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs leave to report a certain resolution and asks for leave to sit again.

Report agreed to.

Hon. W. D. McKeough (Minister of Energy): Mr. Speaker, I don't think there are any announcements, and I understand the order of business is as it was laid out last night.

Hon. Mr. McKeough moves the adjournment of the House.

Motion agreed to.

The House adjourned at 1:05 o'clock, p.m.

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LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, MAY 6, 1974

The House met at 2 o'clock, p.m.

Prayers.

Hon. M. Birch (Provincial Secretary for Social Development): Mr. Speaker, in the absence of my colleague, the Provincial Secretary for Resources Development (Mr. Grossman), I wish to advise that we are pleased to have the students of grades 7 and 8 from St. Mary's School, Toronto, in the gallery this afternoon.

ESTIMATES

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, I have here a message from the Honourable the Lieutenant Governor, signed by her own hand.

Mr. Speaker: By her own hand, Pauline M. McGibbon, the Honourable the Lieutenant Governor, transmits estimates of certain sums required for the services of the province for the year ending March 31, 1975, and recommends them to the legislative assembly, Toronto, May 6, 1974.

Statements by the ministry.

TREASURER'S TRIP TO EUROPE

Hon. J. White (Treasurer, Minister of Intergovernmental Affairs): Mr. Speaker, I should like to report briefly to the hon. members on my recent trip to Europe.

Interjections by hon. members.

Hon. Mr. White: As hon. members know, the main purpose of my trip was to address the Chambre de Commerce France-Canada, and members have received a copy of my remarks to that body.

Mr. S. Lewis (Scarborough West): It didn't do anything for his French.

Mr. J. E. Stokes (Thunder Bay): How about reading that page in French?

Mr. M. Shulman (High Park): I thought the Treasurer had gone because of my bill.

Hon. Mr. White: In addition to these prepared remarks, I also announced that our government was giving active consideration to the establishment of an Ontario office in Paris for the purpose of stimulating trade and communications. I know that the Minister of Industry and Tourism (Mr. Bennett) will be studying this matter carefully in the next few weeks.

The second purpose of the trip was to call on our fiscal managers in Paris, Zurich and Frankfurt to introduce myself and the new Deputy Treasurer, A. Rendall Dick. We also had the privilege of meeting the newly appointed vice-president of the Bank of Montreal assigned to the Benelux countries, who will be stationed in Amsterdam.

Finally, I met with senior French officials concerned with national economic planning, regional planning and new towns, and I gained valuable information which will assist me in developing plans for the Ontario Land Corp.

I was happy to meet the secretary-general and officials of the Canadian delegation to the Organisation for Economic Co-operation and Development in Paris.

Mr. Speaker, this is a time of considerable change and uncertainty in European financial and governmental circles, and it was of great value to learn about some of the factors which affect world-wide economic conditions. I am happy to say that wherever we went, we were assured of the high level of confidence enjoyed by the Canadian economy in general and the Ontario economy in particular.

Mr. J. A. Renwick (Riverdale): The chamber of commerce over there is the same as here.

Mr. A. J. Roy (Ottawa East): Did the Treasurer speak to Mitterand?

Mr. Speaker: Oral questions.

The hon. Leader of the Opposition.

UNION GAS

Mr. R. F. Nixon (Leader of the Opposition): I would like to ask the Premier something further on the Union Gas

situation, which has been raised in the House two or three times. The last time, I think, I raised it directly with the Premier in the absence of the Minister of Labour (Mr. Guindon).

In view of the fact that a serious gas fire occurred when the main high-pressure transmission line through Raleigh township had been tampered with, does the Premier not believe that either he or the Minister of Labour ought to take a stronger posiion in the continuing negotiations, now three months old, in order to achieve an agreement before there is a serious accident, possibly involving the destruction of property and the loss of life?

Hon. W. G. Davis (Premier): Mr. Speaker, I will be discussing this matter with the Minister of Labour. We are, of course, concerned. I was in that area myself on Thursday. The great problem we have, of course, is to maintain an objective and neutral position in these matters of negotiation; and of course I know the Leader of the Opposition supports the free collective bargaining process. At the same time we are concerned about the safety situation. I shall be discussing it with the minister, but I cannot say "a stronger position" because that has implications that one has to be on one side or the other. Quite obviously, Mr. Speaker, we'd like to see this matter settled as much as anyone.

Mr. R. F. Nixon: Supplementary: Does the Premier not agree it is a fact that the mediator, the last two times he has called the two sides together, has simply indicated he did not feel it would be productive to continue the meetings because of the intransigence in the two positions? Would the Premier not agree that the Minister of Labour should call the two sides together and indicate to them the serious view the government has under these circumstances; and perhaps insist that they continue meeting until there is some meeting of minds which would effect an agreement, before the eventualities that may happen do happen?

Hon. Mr. Davis: Mr. Speaker, the Minister of Labour is as aware as anyone in this House of the serious nature of this dispute. As I say, I shall be discussing it with him, probably later today or first thing tomorrow.

Mr. Lewis: Supplementary, if I may: Since there was a very real question raised about good-faith or bad-faith bargaining on the part of the company, given its present position before the Ontario Energy Board seeking a rate increase, does not the Premier think it is now time to bring together the Minister of Energy (Mr. McKeough), the Minister of Labour and himself, to see whether direct government intervention couldn't resolve it, since the company clearly intends to persist in its present position?

Hon. Mr. Davis: Well Mr. Speaker, I am not sure whether there haven't been discussions already on that particular course of action, so I would only say to the leader of the New Democratic Party that we are very concerned about the situation and I shall be discussing it with my colleagues. Beyond that I cannot go today.

Mr. V. M. Singer (Downsview): Supplementary, Mr. Speaker.

Mr. Speaker: There was one previously; all right, the hon. member for Downsview.

Mr. Singer: Yes; in view of the dangers being presented to some of the residents in that area, has the Premier made any arrangements for additional policing by the OPP to protect the citizens who might be affected by some of the unusual acts?

Hon. Mr. Davis: Mr. Speaker, I think some few weeks ago I personally asked that the OPP become involved to see there was no danger to any of our citizens in that area. I shall check again to see whether or not there is a sufficient supply of men to make sure there is no problem.

GO-URBAN SYSTEM

Mr. R. F. Nixon: A question of the Minister of Transportation and Communications, Mr. Speaker: Is he aware of a statement made by Geoffrey Van Alten, president of the Transurban Systems Canada Ltd., a subsidiary of Krauss-Maffei, that the GO-Urban system is now seriously behind schedule? Can he indicate how this will affect the timetable for the establishment of the CNE test track; and can he give some reason why it is falling behind schedule?

Hon. J. R. Rhodes (Minister of Transportation and Communications): Mr. Speaker, I understand the statement said six to eight weeks behind schedule, and that's the same timing that was announced by Mr. Kirk Foley, president of the Ontario Urban Transportation Development Corp. at a press conference. It is six to eight weeks behind for a variety of reasons; and we have so stated quite willingly.

Mr. R. F. Nixon: So it is now $25 million over estimate and eight weeks behind?

Hon. Mr. Rhodes: I think that would be basically correct, yes.

Mr. M. Cassidy (Ottawa Centre): Supplementary, Mr. Speaker: Does the minister seriously expect that six to eight weeks of lost time will be recouped; or will it in fact double or treble by the time we get into the summer of 1975?

Hon. Mr. Rhodes: I have no way of knowing how that's going to affect the future. I say six to eight weeks behind. I don't think that's too much to be concerned about at this time. As to whether it's going to double or treble, I'll have to leave that to the member's ability to foresee the future.

Mr. Cassidy: Supplementary: Will the minister give the Legislature a detailed statement on the reasons for these delays; and tell members whether the specifications laid down by his ministry can realistically be achieved or must now be abandoned?

Hon. Mr. Rhodes: Mr. Speaker, that information would have to be gathered. I don't have it at this time.

Mr. Lewis: Does the minister think he will make it by the election?

HOPE TOWNSHIP GARBAGE SITE

Mr. R. F. Nixon: A question, Mr. Speaker, of the Minister of the Environment: Further to his statement to the town and village section of the Association of Municipalities of Ontario, I believe in the speech that he made on Saturday, where he was quoted as saying that Metropolitan Toronto should look after its own garbage—which is quite a nice sentiment—does this indicate any change in the policy of the government that might, in fact, lead the minister not to approve the CPR application to dump Toronto garbage in Hope township?

Hon. W. Newman (Minister of the Environment): Mr. Speaker, in my talk to the town and village section of the Association of Municipalities of Ontario last Saturday, I was talking about garbage as a resource material which I believe it is, a resource material. I went on to say that we can't continually go on with sanitary landfill sites. We must look for other means of using this resource material, of collecting it, and of reclaiming it. As members know, we have programmes within the ministry now, the Watts from Waste programme that we are moving ahead with. We are hopeful that we can move ahead in the reclamation field.

What I was trying to say, whether I used the Hope residents or the Pickering residents or the Vaughan residents as an example, was that we must be moving more in the reclamation area rather than in landfill-site efforts in the future. We must start reclaiming that resource material.

Mr. R. F. Nixon: Supplementary: Would it be true to say then that all the technical information — the specialists' recommendations—have been received by the minister, and whether, or not, to approve the Hope township site is now a matter of political judgment on the part of the minister. Is that what we are waiting for?

Hon. W. Newman: No. We are still waiting for the final report from the staff, who are now summing up the material that has been collected and all the testing that has been done. I haven't had a final report from my staff yet.

Mr. Lewis: By way of supplementary, what flim-flamming game is the minister engaged in around—well, he can answer that, I'm sure—the question of garbage disposal? Does he recall saying in that speech, "I want to tell you now that solution is unacceptable to my ministry," meaning landfill operations? Does he recall saying, "We cannot continue to cover the landscape of this province with tons and tons of garbage"? Does he recall saying, "I can agree with residents of Port Hope and Hope township in their opposition to having Metro Toronto garbage dumped in their area? Their attitude, and quite rightly"—

Hon. W. Newman: Read the whole speech.

Mr. Lewis: —"is that Metropolitan Toronto", etc.—How can the minister under any circumstances, after making this kind of speech, approve the application of CP Rail? How would he justify it?

Hon. W. Newman: Mr. Speaker, the leader of the New Democratic Party asked for a copy of my speech this morning, which he got.

Mr. Lewis: That's right.

Hon. W. Newman: Quite obviously, he has only read the parts he wished to read.

Mr. Lewis: I read the whole thing.

Hon. Mr. Newman: If he'd like to read the paragraph above, what I said was—

Mr. Singer: The paragraph about flim-flamming.

Hon. W. Newman: —"We will not and we cannot condone continued landfill at the present rate."

Mr. Lewis: That was one of the things he said.

Mr. Speaker: Order.

Mr. B. Newman (Windsor-Walkerville): Supplementary, Mr. Speaker: Since the minister is so concerned with waste reclamation, is he now prepared to accept Bill 48 that I introduced on the order paper last week setting up a waste disposal and reclamation commission?

Mr. Singer: Good idea.

Hon. W. Newman: We are always prepared to look at anything but not at this point in time, and not what the member recommended. We feel that we have the expertise within the ministry to deal with many of these matters.

Mr. Lewis: Does the minister realize that in this speech he publicly indicated that he would not accept Hope township and that, in fact, he was going to oppose Pickering? That's the sense of this speech. Now how can he say that in Port Elgin and say something different in the rest of the province?

Hon. W. Newman: Well, Mr. Speaker, that's a lot of nonsense.

Mr. Lewis: It is certainly not.

Hon. W. Newman: It is so, a lot of nonsense. If the member would like to read the whole speech, I've got it here. I'll read it to him.

Mr. Lewis: I read the whole speech and he has gone right down the line, but he will retract because he is playing two games in Ontario.

Hon. W. Newman: I don't think he did. He only read what he wanted to read out of it. That's what he did.

Interjections by hon. members.

Mr. Speaker: Order.

Hon. W. Newman: Read the whole speech and then come back with some intelligent questions.

Mr. Speaker: The hon. Leader of the Opposition.

An hon. member: That was like a speech by McMurtry.

POTATO SUPPLIERS

Mr. R. F. Nixon: There are a couple of McMurtry's left, as a matter of fact.

I'd like to ask the Minister of Agriculture and Food if he is prepared to report to the House on his investigations into the allegations of a potato-pricing cartel? Since the escalated prices are still being paid by the consumers of Toronto, I think it is essential that we get a report with as little delay as possible.

Hon. W. A. Stewart (Minister of Agriculture and Food): Mr. Speaker, what I have been investigating I am not prepared to report to the House at this particular time.

Mr. R. F. Nixon: Supplementary: Could the minister now confirm that the OPP and the other law officers of the Crown are not involved in this investigation, but only the officials of the Ministry of Agriculture and Food?

Hon. Mr. Stewart: Mr. Speaker, I have no comment whatever to make on that at this moment.

An hon. member: They're not doing anything at all.

Mr. Speaker: The hon. member for Scarborough West.

SOLID WASTE DISPOSAL

Mr. Lewis: A question of the Minister of the Environment: Since he indicated in the same speech that two things are causing the problem for urban municipalities, one being the encouragement of a throw-away society —and the minister specifically mentioned soft drinks in non-returnable containers—is he about to bring in legislation to enact what his predecessors have promised for two or three years and again to give some substance to this speech?

An hon. member: Five years.

Hon. W. Newman: Mr. Speaker, I believe I answered a similar question in the House two or three weeks ago. We certainly have it under very active consideration at this point in time.

Some hon. members: Oh, oh.

Mr. Lewis: By way of supplementary, has the minister indicated directly to Metropolitan Toronto the same kind of opposition that he put forward in Port Elgin?

Hon. W. Newman: Well, Mr. Speaker quite obviously the hon. member didn't read the speech properly. Certainly I have talked to Metro officials from time to time; it is part of my job. What I indicated at Port Elgin, if the hon. member would like to read over my speech carefully—and I hope he will—was that sanitary landfill sites are things that we are going to need to some degree in the future, but certainly not to the extent that we have in the past. We are looking to reclamation of resource material.

Mr. J. R. Breithaupt (Kitchener): In the future they are things of the past.

Mr. Lewis: The hon. minister had better read his own speech again, more carefully.

PROSECUTION OF POLLUTERS

Mr. Lewis: May I ask the minister another question? What is he going to do about the air management branch of his ministry, which refused to undertake prosecution of Inco for a clear violation, which prosecution had to be undertaken privately through the Environmental Law Association and resulted in a $1,500 fine to Inco?

Hon. W. Newman: Mr. Speaker, I read about that fine. There were four charges laid by the Environmental Law Association, three of which were dropped. On the one which they received a conviction, we were notified on the first violation of this matter, Mr. Speaker, and corrective action was taken immediately. Therefore, we did not lay a charge. They introduced some sort of system that corrected the situation very promptly.

The Ministry of the Environment has charges against Inco right now, as the hon. member well knows, but in this particular case, though there was a violation, it was corrected immediately. We don't want to charge everybody every minute of the day—

Mr. Lewis: I'm sure.

Hon. W. Newman: —but as far as they are concerned, we also have charges where we are waiting now for the judgements to come down.

Mr. Breithaupt: Not much danger of that happening.

Mr. Stokes: Shades of KVP!

Mr. Lewis: Is it not interesting that the first time that Inco was ever fined for polluting in Ontario, it came through a private application and on the evidence of Mr. Ross Mackenzie, who was conveniently dismissed from this ministry? Does the minister not think that he might prosecute more vigorously on behalf of the people of Ontario?

Hon. W. Newman: Mr. Speaker, we do a lot of prosecuting where it is necessary in this province. We don't like to persecute.

Mr. Cassidy: They do not.

Hon. W. Newman: We have many prosecutions throughout this province, but we don't like to persecute.

Some hon. members: Right.

Mr. Cassidy: That law is a disgrace.

Mr. Singer: The minister had better get his predecessor's line, "The polluter will pay."

Mr. R. F. Nixon: The desk is still split where he hit it.

Mr. Lewis: Yes, the minister used to take off his shoes then and whack them lustily against the desk.

BANKS' CONSUMER CREDIT CHARGES

Mr. Lewis: May I ask a question of the Minister of Consumer and Commercial Relations? Would the minister make a direct representation to the federal government about the increase in consumer credit charges by the Bank of Montreal by one per cent and by the Canadian Imperial Bank of Commerce by three-quarters on one per cent, given the escalation that this adds to the inflationary spiral?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I would be prepared to communicate with the federal government, yes. As the hon. member well knows, the Bank of Canada set the prime rate and the other banks follow suit, with a markup for their profit and administrative costs. I would be prepared to write, but I don't anticipate that I would get much by way of an answer.

Mr. R. F. Nixon: Maybe David Lewis ought to make a submission.

Mr. Lewis: He is making his submission later today.

Mr. R. F. Nixon: Good.

Mr. Lewis: A good thing too, right.

Hon. Mr. Davis: Is the hon. member sure that's right?

Mr. Lewis: No, I am sure of nothing any more. May I ask the minister a supplementary question? Would he consider the use of a tax credit mechanism in the Province of Ontario to overcome the absurd increases on the consumer credit front—quite apart from mortgages which are themselves indefensible—increases on the consumer credit front which the banks are now indicating?

Hon. Mr. Clement: Mr. Speaker, I would think that would be more of a decision to be made by the Treasurer than by me. I thought after I sat down it might be more advantageous if I write to the federal government, maybe, sometime after July 8, which is an important date.

Mr. I. Deans (Wentworth): Knowing the speed at which the minister operates he is not likely to get there before July 8 anyway.

LEGAL AID ADVERTISING

Mr. Lewis: A question of the Solicitor General (Mr. Kerr); can I ask him about Legal Aid Advertising? I will ask it of the Premier. The Solicitor General wouldn't answer me anyway.

May I ask the Premier how he balances between the provision of public moneys for the advertising of something like a tax credit scheme and the refusal to provide public moneys to advertise a programme like Legal Aid in Ontario, which is clearly useful only to a number of citizens who are frequently disadvantaged and can hear of it only through public advertising?

Hon. Mr. Davis: Mr. Speaker, I can only say it's a very difficult task to balance.

Mr. Lewis: By way of supplementary, might he reconsider his priorities to provide some of his public largesse in an area of clear social need?

Hon. Mr. Davis: Mr. Speaker, if the leader of the New Democratic Party is saying there should be a more extensive campaign or an advertising campaign for the Legal Aid plan, I will draw that to the attention of the Attorney General (Mr. Welch).

Mr. D. C. MacDonald (York South): Perhaps there could be less spent on the tax rebates.

Mr. Lewis: By way of supplementary, was the Premier aware of the cut out of the budget of the moneys to advertise the Legal Aid plan to the province generally?

Hon. Mr. Davis: Mr. Speaker, I am aware there have been some discussions.

Mr. Lewis: Fine.

Mr. Cassidy: But when there is a political payoff to be made from it, the government advertises.

LAND PURCHASES IN HALDIMAND-NORFOLK

Mr. Lewis: One last question of the Treasurer, Mr. Speaker: Has the Treasurer received a submission from the regional government of Haldimand-Norfolk on the new townsite?

Hon. Mr. White: The council met a week ago Thursday and asked that I meet with them, which I hope to do this coming Thursday afternoon. At that time I expect to receive the advice of the councillors as to whether the new townsite should be proceeded with in the very near future and if so, what their feeling is about the location of such a townsite. By Friday I will know more about their attitudes.

Mr. R. F. Nixon: A supplementary: Do those options run out at the end of this month so that a decision would be forthcoming before the end of May?

Hon. Mr. White: Yes.

Mr. Cassidy: Can the minister say what the tax treatment would be for the people who have been speculating in land in Haldimand-Norfolk, awaiting this particular decision?

Hon. Mr. White: I'm sorry; I didn't hear the first part of the question.

Mr. Cassidy: What will the tax treatment be, given the fact that speculators moved in and pushed up the price of property on the projected townsites back in the fall while the minister's new tax of 50 per cent on speculation only applies from April 9?

Hon. Mr. White: I am not prepared to attempt to answer that hypothetical question. All of the taxes which apply will apply.

Mr. R. F. Nixon: The Treasurer said he hoped they would go broke.

Mr. Cassidy: Will the minister not agree that it is like locking the stable door after the speculators got in in that particular case?

Mr. Breithaupt: Not after they got in but after they got out.

Mr. Speaker: The Minister of Natural Resources has the answer to a question asked previously.

PROPOSED COTTAGE SUBDIVISION ON NAPPAN ISLAND

Hon. L. Bernier (Minister of Natural Resources): Yes, Mr. Speaker, the hon. member for Waterloo South asked a question—

Mr. E. R. Good (Waterloo North): North.

Mr. Lewis: North.

Hon. Mr. Bernier: Waterloo North? I am sorry. He asked a question of me last week concerning a certain subdivision plan on Nappan Island. I would inform him that the Ministry of Natural Resources objected to the subdivision on Nappan Island as it was originally proposed. Based on certain conditions imposed at our request, the proposal was given draft approval by the Ministry of Housing.

Mr. Good: A supplementary, Mr. Speaker: Is the minister aware that the conservation authority concerned with the area, the Trent Valley Conservation Authority, had no knowledge of the approval of this subdivision on an island in the River Trent?

Hon. Mr. Bernier: I am not particularly aware of that, Mr. Speaker. I would point out to the member that the Ministry of Housing has the final decision under the Planning Act concerning approval of subdivisions.

Mr. Good: Another supplementary: Did the Minister of Natural Resources give approval for future dredging of the river and the disturbance of the ecology of the area that will result with this subdivision?

Hon. Mr. Bernier: As I said in my opening remarks, we objected to the original proposal but there were certain changes and amendments made to which the housing ministry agreed.

Mr. Good: What were the changes made?

Mr. R. F. Nixon: They're going to jack up the island.

Hon. Mr. Bernier: I have them here; I can give them to the member or does he want me to read them in to the record?

Mr. R. F. Nixon: Table them.

Mr. Good: Are they very lengthy?

Hon. Mr. Bernier: About a page.

Mr. Good: All right. The minister can send them to me.

Hon. Mr. Bernier: I will be glad to.

Mr. Speaker: The member for Essex-Kent.

UNION GAS

Mr. R. F. Ruston (Essex-Kent): Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. Due to the Union Gas strike, is the ministry aware of any leaks there may be in some of the gas lines in the Union Gas area? With the major fire that took place on Saturday night of this past week, and also a fire in Fletcher Tile yard that was hooked up directly to the gas line that was tampered with, is his department making any effort to see that these lines are properly patrolled?

Hon. Mr. Clement: Yes, Mr. Speaker. As the hon. member is probably well aware, there were allegations, which were borne out to be correct, of tampering with the lines prior to last Saturday. Patrols have been conducted in the area, so I am advised by members of a particular police force—I believe the Ontario Provincial Police. One person has been charged and is awaiting trial. Insofar as the incident to which the hon. member refers last Saturday night, I am anticipating the receipt of a report tomorrow, so I haven't any particulars on it right now.

Mr. Speaker: The hon. member for High Park.

GRANTING OF LIQUOR LICENCES

Mr. Shulman: A question of the Minister of Consumer and Commercial Relations, Mr. Speaker: Inasmuch as the Cattleman's restaurant was refused a liquor licence on the ground that there were too many licences in the area, can the minister explain why Reubin's, which is next door to Cattleman's, was granted a licence exactly one week after a letter had been written saying there were too many in the area?

Mr. Breithaupt: There was less competition then.

Mr. Cassidy: Wow! That sounds like patronage.

Hon. Mr. Clement: No, but I anticipated I would probably hear something from the hon. member for High Park.

Mr. MacDonald: The minister is perceptive.

Hon. Mr. Clement: With reference to the story which appeared in the Globe and Mail on Saturday, I communicated with the board this morning—the chairman is not there; he's out of town on hearings—just to find out what the sequence of events was. The Globe and Mail, as I recollect the article on Saturday, said the plans had been approved for the—is it Cattleman's? And that is, in fact, not correct.

Mr. Shulman: They were stamped "approved." I saw them myself.

Hon. Mr. Clement: They were not stamped "approved". They made application on Aug. 29, 1973, and they were turned down on Nov. 26 on the basis that there were sufficient outlets in the area at that time, in the board's opinion.

On Dec. 13 the solicitor made re-application and advised the board that he had some additional information he'd like to bring to the board's attention, and they made application Dec. 13 for another hearing. And that was granted; that re-application was allowed for them to return. On Jan. 25 an inspector attending at the premises found them closed.

On Feb. 28 of this year the solicitor was advised of a meeting which was to be held on March 6. On March 6 no one appeared; the solicitor did not appear; the applicants did not appear. And, accordingly, on April 2 the formal letter went forward saying they'd been turned down again. On April 5 the solicitor notified the board he would no longer be representing that particular company or group of applicants.

So, that's the sequence of events. Now, I should point out that at the time application was made, the board would not approve plans in advance; they would wait until the hearing.

Last May we had a number of discussions because it was brought to my attention that many people were making application—they were buying land or premises, spending substantial sums of money—and then finding themselves in a position where they would be refused for one reason or another.

The board, effective last May, determined that on all applications thereafter, they would indicate in advance whether—all things being equal—a licence would be granted. In other words, a person today or anytime following last May, could option naked land, get drawings approved or drawn, submit them, and if all things remained equal he would know in advance before he even purchased the land or commenced construction or alterations, whether his application would be granted.

This has saved a great deal of difficulty for aspiring applicants. Otherwise they had to buy the land, erect the premises, perhaps have several hundreds of thousands of dollars invested, and then find out, for one reason or another, that they weren't going to get the licence.

This application was initially filed, I am advised, prior to that date.

Mr. Shulman: A supplementary, Mr. Speaker: Would the minister determine and report back on why, if on Nov. 26, as he states, there were sufficient licences in the area, exactly 17 days later, on Dec. 13, a new licence was granted to an applicant just two doors away?

Hon. Mr. Clement: I have no knowledge of that particular matter. I will look into it.

Mr. Speaker: The member for St. George.

MR. ELI COMAY

Mrs. M. Campbell (St. George): A question of the Minister of Housing: Could he tell this House whether Mr. Eli Comay is still in the service of his ministry or whether he has left it at this time?

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, it is my understanding that Mr. Comay is no longer connected with the ministry in any capacity.

Mr. Singer: That's understandable.

Mr. Speaker: The member for Thunder Bay.

PROPOSED RAILWAY LINE FROM STEEP ROCK MINES

Mr. Stokes: Thank you, Mr. Speaker. I have a question of the Minister of Transportation and Communications. Is the minister in a position to give the status of negotiations going on between his ministry and Steep Rock Iron Mines as they pertain to Lake St. Joseph and Canadian Pacific Railway and Canadian National Railway with regard to the construction of a railway line

from Steep Rock Mines at Lake St. Joseph to Savant Lake and possibly on to Ignace? How soon will we get a decision on whether or not the Ontario government is prepared to participate in such a venture?

Hon. Mr. Rhodes: Mr. Speaker, the answer to the first part of the question is no. I understand these studies are continuing and are being handled by the Provincial Secretary for Resources Development. He is taking part in the discussions which are going on; I am not.

Mr. Stokes: A supplementary: Does that mean it is conceivable that the Ontario government would enter into an agreement whereby it might assist Steep Rock Iron Mines without the knowledge of the Minister of Transportation and Communications?

Hon. Mr. Rhodes: No, Mr. Speaker, I am sure I would be made aware of any arrangements and any final negotiations; or the results of the negotiations. At this time they are being handled by the Provincial Secretary for Resources Development and when the information is available it will be brought to the Ministry of Transportation and Communications and other related ministries.

Mr. Speaker: The member for Windsor-Walkerville.

PROVINCIAL GOVERNMENT BUILDING IN WINDSOR

Mr. B. Newman: Mr. Speaker, I have a question of the Minister of Government Services. Could the minister relate to the House the status of the provincial public building in the city of Windsor and whether that new building will contain a registry office?

Hon. J. W. Snow (Minister of Government Services): Yes, Mr. Speaker; the architects are presently working on the detailed working drawings for the new Ontario government building in Windsor. I believe the tenders are scheduled to be called sometime in July, and the building does include the new registry office.

Mr. Speaker: The member for Yorkview.

MOTOR VEHICLE ACCIDENT CLAIMS FUND

Mr. F. Young (Yorkview): Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. What attitude is the minister taking to the recent report that over 7,000 persons owe $33 million to the motor vehicle accident claims fund, almost as many as are now paying about $9,000 into the fund on back accounts?

Hon. Mr. Clement: Mr. Speaker, what kind of an attitude am I taking? I am not very happy about it but it happens to be one of the facts of life that applicants for payment out of that particular fund are reimbursed and, of course, the judgement then becomes the responsibility of the person who was found negligent.

In many instances these people have no assets; they may have died or left the jurisdiction and cannot be traced, and very often the cost of trying to locate them would exceed the amount one might recover. It would be ideal if they did have the wherewithal to reimburse that fund for the amount expended in protecting the victim of their particular negligence but, unfortunately, if the money isn't there, if they haven't got it, it is just uncollectable.

In many instances judgements are obtained against them and executions filed. Once in a while, much to our surprise, they are paid off because they have inherited money or they have come into certain funds. Of course, we take their licences away and don't let them drive, which may prevent them from causing another accident, but the fund just has to bear it and this is some of the rationale behind having the fund in the initial instance.

Mr. Young: A supplementary, Mr. Speaker —the inevitable supplementary to a question like this: Wouldn't the minister consider it far more sensible to have a public auto insurance plan under which the insurance is paid as a condition of getting a licence with, of course, the public plan being administered under government supervision, as is now done in at least three other Canadian provinces?

Hon. Mr. Clement: Mr. Speaker, that has been and is the law in several other jurisdictions. I am advised that in one of the states neighbouring to the south there are companies which now specialize in selling policies on a 24-hour basis. The applicant for a licence to drive or a new licence for his car, goes in with one of these policies, the face of which would indicate that it has a year to run. They obtain their plates and the policy is immediately cancelled on the following day. Then of course if you are the victim of a person where that type of situation exists, there is no one against whom you can collect because there is no insurance in

force, and of course the person who has worked this type of fraud has no assets. So the victim often finds himself without any fund from which to reimburse himself for his injuries. We have thought about it.

Mr. Young: Mr. Speaker, a further supplementary: I agree with the minister that that plan is imperfect but I was not asking about that kind of plan. I was asking about the kind of public plan that is now in effect in Saskatchewan, Manitoba and British Columbia, administered by the government itself.

Hon. Mr. Clement: I just didn't understand the question. I'm sorry.

Mr. Young: My question, through you Mr. Speaker to the minister, is, would it not be more sensible to replace our present motor vehicle accident claims fund by a public automobile insurance plan, administered by a government agency not a private agency, wherein the premium is paid when the licence is bought?

Hon. Mr. Clement: No, I don't think that I would like that plan, Mr. Speaker.

Mr. Speaker: The hon. member for Downsview.

MR. ELI COMAY

Mr. Singer: Mr. Speaker, I have a question of the Minister of Housing. Could he tell us his understanding of the reasons Mr. Eli Comay left the government services?

Hon. Mr. Handleman: Mr. Speaker, Mr. Comay didn't leave the government services. He had a temporary contract to act as a consultant to the ministry until such time as its administration could be organized. Once the contract expired he was no longer connected officially with the government. However, I would never hesitate to use his distinguished advice, as this ministry has in the past and as I would hope to be able to do in the future.

Mr. Lewis: A supplementary, if I may Mr. Speaker: Did Mr. Comay leave a particular plan of action which was allegedly the basis for his being hired as a consultant? If so what has happened to it?

Hon. Mr. Handleman: Mr. Comay advised the ministry on a plan of action arising out of the task force report. He put into place a number of preliminary actions which have led to the housing action programme which is now being developed in the ministry.

Mr. R. F. Nixon: A supplementary: Would the so-called housing action programme be identified with Mr. Comay's initiatives in this? If so, as is generally understood, would not the minister have been well advised to retain his services for the implementation of the programme? Is it possible that Mr. Comay has become upset at the delays in implementation of those recommendations?

Hon. Mr. Handleman: I believe Mr. Comay was invaluable in setting up the bare bones of the programme.

Mr. Singer: Yes, invaluable.

Hon. Mr. Handleman: The development of the programme requires a great deal of negotiation; and it's felt this should be done within the ministry by ministry people.

Mr. Good: He wasn't given the authority he should have had.

Mr. Speaker: The hon. member for Sandwich-Riverside.

Mr. R. F. Nixon: The minister is guarding his memoirs.

CANDU SALE TO ISRAEL

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, I have a question of the Minister of Energy regarding the weekend report that the Hon. Mitchell Sharp is willing and eager to sell atomic reactors to Israel. Could the minister find out for me how close any of these will be to the Golan Heights?

Mr. Breithaupt: The minister had better wait a few days before he tackles that.

Mr. Singer: Answer that one.

Hon. W. D. McKeough (Minister of Energy): Mr. Speaker, I'll be glad to try and get that information. I must say I was a little surprised about the report, because to my knowledge and to the knowledge of others in this House, the state of Israel and AECL have been negotiating for several years. There are some people here in Toronto who have been assisting the state of Israel in attempting to purchase a Candu reactor, and Mitchell Sharp and the Department of External Affairs have held it up year after year.

Interjections by hon. members.

Hon. Mr. McKeough: This conversion on the road to the Golan Heights perhaps over the weekend can only mean that a federal election must be coming.

Interjections by hon. members.

Hon. Mr. McKeough: But I'll try to get the information.

Mr. Lewis: Actually, that's probably true. That's Jimmy Walker struggling through the Middle East.

Mr. Speaker: The hon. member for Kitchener.

TRUCK LOAD COVERS

Mr. Breithaupt: I have a question of the Minister of Transportation and Communications. Following the commitment of the minister's predecessor (Mr. Carton) when will he be bringing in and enforcing regulations to have all trucks carrying sand and gravel use tarpaulins over their contents to prevent stones and sand from blowing out and damaging motor vehicles on the highway?

Hon. Mr. Rhodes: Mr. Speaker, I understand that many of the truckers are doing that voluntarily now; but I can tell the hon. member that there are quite a number of amendments to the Highway Traffic Act that will be brought before this House very shortly. I am hoping that will be included.

Mr. Good: It just needs regulations.

Mr. Speaker: The hon. member for High Park.

Mr. B. Newman: Mr. Speaker, a supplementary.

Mr. Speaker: Supplementary, yes.

Mr. B. Newman: Will the amendments that the minister made mention of that will be coming before the House include the categorizing of ambulances as emergency vehicles, because at present they are not considered emergency vehicles?

Mr. Speaker: That's not a supplementary to the question that was asked.

Mr. Breithaupt: I have a supplementary, Mr. Speaker: If this matter can be dealt with by regulation, rather than waiting for amendments to come before the House, can the minister attempt to have those regulations proclaimed soon to avoid this damage and annoyance to many of our citizens?

Hon. Mr. Rhodes: Mr. Speaker, in fact the Act, I think, does cover this particular problem. I suggest that a proper enforcement of the section of the Act would probably take care of it. If it can be done by regulation, we'll do that.

Mr. Speaker: The hon. member for High Park.

WITHDRAWAL OF CHARGES IN HAMILTON CASE

Mr. Shulman: I have a question of the Solicitor General, Mr. Speaker: Who in his department issued instructions that the charges of obstructing and assaulting police, laid against Messrs. Papalia and LeBarre in Hamilton, be withdrawn?

Hon. G. A. Kerr (Solicitor General): I am not aware, Mr. Speaker, that any such instructions were given.

Mr. Shulman: Why were the charges withdrawn?

Hon. Mr. Kerr: Would the hon. member tell me what specific charges he is talking about?

Mr. Shulman: Yes. I am referring to the charges that came about as the result of the bookmaking raid some six weeks ago in Hamilton, in which the Papalias and their associates, Messrs. LeBarre, etc., were arrested and charges of obstructing and assaulting police were laid as a result of incidents that day. When it came up in court, the Crown attorney said, "I have instructions to withdraw these charges." I am asking who—

Mr. Singer: Surely that would be the Attorney General's department.

Mr. Shulman: Should this be the Attorney General?

Mr. Singer: Yes.

Mr. Shulman: Is it within the minister's department or is it within the Attorney General's?

Hon. Mr. Kerr: Mr. Speaker, all I would say is that if instructions were issued at all, they wouldn't come from the Solicitor General. It is my understanding that there was a guilty plea—

Mr. Shulman: To bookmaking.

Hon. Mr. Kerr: —to bookmaking, right. Therefore, I would think that the local Crown attorney can give the member the facts.

Mr. Speaker: The hon. Minister of Transportation and Communications has the answer to a question that was asked before.

KRAUSS-MAFFEI SYSTEM

Hon. Mr. Rhodes: Thank you, Mr. Speaker. The hon. member for Kitchener asked me, I believe on Friday: "Can the minister confirm that the Urban Transportation Development Corp. has hired a public relations firm to attempt to improve the image of the Krauss-Maffei system, and if so, who has been hired?"

First of all, the public relations firm was not hired to improve any image of any particular system. The company that was hired is Continental Public Relations Ltd. The company was engaged to provide art services, preparation of all material relating to several press conferences, preparation of several folders, information displays and booklets outlining products and personnel, and editorial services and photographic services. The estimate of the total cost for all services is $5,000.

Mr. Speaker: The hon. member for Rainy River.

JOBS FOR GOVERNMENT BACKBENCHERS

Mr. T. P. Reid (Rainy River): Thank you, Mr. Speaker. I have a question of the Premier. I am asking the Premier's assistance in righting a great wrong and ending a discrimination which is causing great hardship to a number of people. Can the Premier indicate when he is going to appoint his last remaining eight backbenchers to some government job?

Hon. Mr. Davis: Mr. Speaker, I would be delighted to, since I am always seeking creative ways for the utilization of the singular talent that exists on this side of the House.

Mr. Reid: He has thought up a lot of them.

Hon. Mr. Davis: As I find them, I shall make the necessary appointments.

Mr. Speaker: The hon. member for Wentworth.

HOME PROGRAMME

Mr. Deans: Mr. Speaker, I have a question of the Minister of Housing.

Interjections by hon. members.

Mr. Deans: Will the Minister of Housing in his investigation of unusual occurrences under the HOME programme inquire into a practice whereby certain people who own homes already appear to be eligible in getting HOME programme homes?

Hon. Mr. Handleman: Mr. Speaker, I would certainly be pleased to look into that. Everyone who owns a HOME unit and every builder engaged in activity under the HOME programme is advised that this is a once-in-a-lifetime opportunity and that nobody can have more than one. If anybody does have one, or if there is anybody who suggests that he can have another one, even though he is presently occupying one, I would be pleased to hear about it.

Mr. Deans: I am sorry; a supplementary question in order to clarify my question. I asked it very badly.

Persons who currently own private property, not a HOME programme home, are applying for and going on the list of HOME programme home applicants and getting a HOME programme home and then selling their private dwelling, or keeping it and renting it.

Hon. Mr. Handleman: I know of no ruling in the HOME programme that would deny a person that opportunity if he meets the income tests. However, I would be pleased to look into the prevalence of it to see whether or not it is a serious problem.

Interjection by an hon. member.

Hon. Mr. Handleman: If the hon. member has any instances that he can put to me in confidence, I would be pleased to look into them.

Mr. Deans: Supplementary question: Since there appears to be no provision which prohibits it, will the minister consider putting such a provision in the HOME programme, in order to ensure that people who need a house get a house and people who have a house keep the one they have got?

Hon. Mr. Handleman: I would be pleased to look at the possibilities of such a restriction. It would appear to me that almost everyone who is looking for a HOME unit is occupying some form of shelter, whether a rented or an owned home. But I would be pleased to look at it and see whether or not it would be a constructive suggestion.

Mr. Deans: They are rented.

Mr. Cassidy: But they are being ripped off as tenants. That is what is happening to most of them. Because they can't get a house.

Mr. Speaker: The hon. member for Waterloo North.

PROPOSED COTTAGE SUBDIVISION ON NAPPAN ISLAND

Mr. Good: Mr. Speaker, a question of the Minister of the Environment relating to the subdivision on Nappan Island, referred to previously by the Minister of Natural Resources.

Since one of the conditions put forth by the Minister of Natural Resources on which the Minister of Housing gave draft plan approval was that the firm seeking the approval do a five-year environmental study in relation to the wildlife and the ecological effects of this subdivision on the island—which will, of necessity, be done after the subdivision is built up—would his ministry look into the matter, since I believe there was never any environmental approval given for this subdivision; and would the minister look into it and see whether the proposed subdivision meets the environmental requirements of his ministry?

Hon. W. Newman: Mr. Speaker, I will be glad to look into that matter.

Mr. Speaker: The hon. member for Sandwich-Riverside.

HIGHWAY 3 NOISE REDUCTION

Mr. Burr: Mr. Speaker, a question of the Minister of Transportation and Communications: When is the minister going to reduce the speed limit for trucks on Highway 3 along the edge of Windsor so that the residents may be relieved of the excessive noise to which they have been subjected for so many years?

Hon. Mr. Rhodes: Mr. Speaker, I didn't really know whether or not there has been any request of the ministry in the past to reduce that speed limit. If there is such a desire, the residents of the area should contact me, or go through the member. I will be pleased to look at it.

Mr. Speaker: The hon. member for Kitchener.

Mr. Burr: Supplementary question, Mr. Speaker. This request has been going on for the last three years. It came to the minister two weeks ago in a personal letter. I wish he would do something about it.

Hon. Mr. Rhodes: Mr. Speaker, I must confess that I have not seen that letter. But if it is in my office, I will certainly look it up when I go back. If we can be of some assistance, we will certainly do so.

Mr. Speaker: The hon. member for Kitchener.

Mr. E. J. Bounsall (Windsor West): Supplementary, Mr. Speaker—

Mr. Speaker: I regret that time is just about up, but I think the hon. member for Kitchener should have his opportunity.

INSPECTION OF REFRIGERATION AND COOLING UNITS

Mr. Breithaupt: A question of the Minister of Colleges and Universities, Mr. Speaker: With respect to the enforcement of regulations for the refrigeration and air-conditioning trade, has the minister received various complaints from individuals in this province that there are apparently not sufficient counsellors, qualified with respect to enforcing the regulations, and is there an intention now, to create a separate enforcement branch with inspectors qualified to determine that the jobs that are installed and serviced are done properly in a safe and competent manner?

Hon. J. A. C. Auld (Minister of Colleges and Universities); Mr. Speaker, the answer to the first part of the question is yes. In fact, I have pointed out to those who have written, including a number of members of this House, that we do not have sufficient staff to deal in a general way with overall inspection, although we do have sufficient staff to deal with specific instances where we get a complaint and really have a chance to track somebody down, without spending three or four weeks time to do it.

In fact, the Dymond report had some recommendations in this connection regarding the whole field of apprenticeship and certification, and we are looking at whether or not it would be wiser to have the enforcement end in some other ministry because, as the hon. member realizes, the people in the apprenticeship and certification trades work a great deal with employers. No decision has been reached as to what course of action we are going to follow, particularly because of the Dymond report, which we are studying at present.

Mr. Speaker: The question period is now completed.

Petitions.

Presenting reports.

Motions.

Introduction of bills.

LAND TRANSFER TAX ACT

Hon. Mr. Meen moves first reading of bill intituled, An Act to amend the Land Tranfer Tax Act, 1974.

Motion agreed to; first reading of the bill?

Mr. Cassidy: That bill just had second reading didn't it?

Mr. Shulman: Is there anything left of that bill?

Mr. Cassidy: How many amendments does the minister expect to get in this year?

Hon. A. K. Meen (Minister of Revenue): Mr. Speaker, section 17 of the Land Tranfer Tax Act, 1974, provided that where the minister was satisfied that a conveyance was being tendered for registration as the result of an agreement executed and reduced to writing before April 10, the registration would take place on payment of the tax provided for under the now repealed Land Transfer Tax Act and amendments thereto. In certain cases, however, section 17 of the Land Transfer Tax Act, 1974, required that the agreement resulting in a conveyance must be filed with the minister before May 16, 1974.

The amendment proposed in this bill will remove the requirement for filing agreements by a particular date, but will leave in force the requirement that the minister be satisfied that the agreement was reduced to writing and executed before April 10, 1974.

Mr. Shulman: How does the minister decide that? By divine right or crystal ball would be better.

Hon. Mr. Meen: In addition, the amendment will provide that the consideration provided for in the agreement must be fixed before April 10, 1974, or determinable only by reference to a period prior to that date.

Mr. Shulman: The bill should be called "Rule by Whim."

Mr. Deans: Mr. Speaker, before the orders of the day, there is a rumour around the House that we might be sitting this evening, and I would like to say to the House leader that we would have preferred to have had a little notice if it is his intention to sit this evening. I realize notice is not required, but it makes things a lot easier if we know what are the intentions of the government, even a few hours in advance.

Hon. Mr. Winkler: With the list of business I gave to the House last week, I thought it would have been implicit in that list. We will sit tonight, tomorrow night and Thursday night.

Mr. Deans: Then, on this matter, Mr. Speaker, I would like to say to the House leader that nothing around here is ever implicit.

Mr. Lewis: Nothing is ever explicit!

Mr. Deans: Last week we sat on Monday night because the Governor General was having a dinner at the Royal York Hotel on Tuesday, and therefore we were unable to sit on Tuesday night. I distinctly recall asking the House leader if that was to be the pattern, and I distinctly recall him saying he didn't know.

Mr. Lewis: That's right.

Mr. R. F. Nixon: That's explicit.

Mr. Deans: Now, how are we to be able to understand what to tell our members about the way to conduct their business if the House leader isn't prepared to give us some advance notice?

Mr. Speaker: I must refer the hon. member to standing order No. 3, which clearly states that at 6 o'clock on any Monday, Tuesday or Thursday that business is not completed, we will sit in the evening.

Mr. Shulman: Just as a matter of courtesy.

Mr. Stokes: It's a hell of a way to run a store.

Mr. Speaker: Orders of the day.

Clerk of the House: The sixth order, resuming the adjourned debate on the motion for second reading of Bill 25, An Act to impose a Tax on Speculative Profits resulting from the Disposition of Land.

LAND SPECULATION TAX ACT
(*continued*)

Mr. D. C. MacDonald (York South): Mr. Speaker, I had begun some comments with regard to this bill a week or two ago—perhaps three weeks ago, I have forgotten when it was—

Mr. S. Lewis (Scarborough West): April 29.

Mr. MacDonald: April 29, before the provincial Treasurer (Mr. White) had gone to Paris. I don't want to repeat in detail the introductory remarks I made then, but just let me summarize them. The objective of the bill, to get at speculative profits gained on land, which are boosting prices to scandalous heights today, is obviously one of which everybody would be in support.

However, we in this party find ourselves unable to support this particular bill because it simply doesn't fulfill that objective. It is something of a fraud. It is deceiving the public with regard to what it is going to achieve.

I pointed out, for example, that the prospective victims of this land speculation tax are obviously not greatly disturbed. There is no outcry from them, and that in itself is rather significant. I pointed out that the government's contention that it is going to raise only $25 million—an amount which surely should be raised from any one of 20 different major developers in the Province of Ontario—is proof of the ineffectiveness of the tax. That remains true notwithstanding the self-serving comments of the provincial Treasurer to the effect that the lower the revenue raised the more effective the tax. The lower the revenue raised the less effective the tax is my contention.

The provincial Treasurer has been repeatedly warning people—he started almost the day after the budget—that if the tax didn't achieve its purpose something more would be done. By implication, if that is the appropriate comment in light of the discussion we had, he was suggesting that even he had some doubts of the effectiveness of the tax and he was just warning that something else would follow if it didn't achieve its purpose.

A final rather significant point is that within a week, when there appeared to be a pause in the whole rash of speculative effort in home sales in the metropolitan area, the Metropolitan Real Estate Board contended, in its self-serving way, that the tax was serving a purpose in that a pause had been achieved and therefore all was well. Clearly there will be some sort of a pause. The lawyers who are going to be working on behalf of the big developers by either finding loop-holes in the bill or setting up new corporate structures which will make it possible for them to evade the whole objective of the bill, are clearly going to take a bit of time. Those who have land to sell or who want to buy are clearly going to wait until they've had some clarification with regard to the corners which can be cut.

However, all this pause was rather dramatically underlined when at the end of April the new figures came out and revealed that in the month of April—three-quarters of which followed the introduction of this tax—the price of a home in the metropolitan area had gone up a cool $4,000 more, from $50,000 to $54,000. At that rate, with this sort of tax in prospect, we have in sight the likelihood that home prices are going to double in the next year. By simple arithmetic, if it goes up four per cent in one month compounded—I'm sorry; eight per cent in one month—

Mr. P. G. Givens (York-Forest Hill): That's not simple arithmetic.

Mr. MacDonald: Pardon?

Mr. Givens: That's not simple arithmetic.

Mr. MacDonald: No, that is not simple arithmetic; one doesn't need to be very simple, as a matter of fact. Eight times 12 gets pretty close to 100 and 100 means double; even the provincial Treasurer smiles at something he can grasp.

However, I want to get to the real point of this bill, Mr. Speaker. The real point of this bill, the real principle underlined in this bill, is that it is an elaborate legislative facade to distract attention from the real issue which is the government's frantic effort to recoup a very disastrous housing policy.

The interesting thing is to analyse what has happened in the last three or four months. It became clear even to the government, which had been living with the problem, that there was one. It acknowledged its existence and confirmed its acknowledgement of its existence by appointing a minister. We had a Minister of Housing appointed last fall.

The next step in this process was to identify the bad guys, to see if the government could find somebody upon whom it could fix the blame for this serious problem. That identification has now emerged; the government has found the speculators. It is rather interesting that in all of the studies and the reports of Comay, in all of the public statements of a succession of Ministers of Housing, including the present Attorney General (Mr. Welch), there was no indication at all that the speculator was being designated as the villain in the piece that was creating this housing crisis. But now he has been identified.

So when you acknowledge a problem and you find your bad guy, you've got to have a solution. And what's the solution? The land

spec tax! This, presumably, is going to call a halt to the whole thing.

Well the weaknesses of the tax, Mr. Speaker, I think are so obvious that it's not going to achieve its purpose. I just want to draw attention to a few of them; some of this will be by way of repetition, because it has already been dealt with in the House and undoubtedly before this bill has gone through the wringer on second reading it will be dealt with even more extensively.

The first major weakness in the whole approach is that the government is attempting to use taxation as an instrument of policy to sort of change social conditions. Quite frankly, there is a very great deal of evidence to suggest that traditionally, that isn't an effective way. There are thousands of lawyers who spend all their lives finding and using loop-holes in taxing legislation, and the courts are extremely receptive to attempts to evade new taxes.

The whole game becomes a bit like a tennis game in which the government has very little possibility of scoring any aces. In fact the whole role of the Minister of Revenue (Mr. Meen) as the man who is responsible, poor he, for taking these bills through the House, is becoming clear. He is still hiding, somewhere, what are reported to be 13 amendments on the land spec tax. He has already brought in an amendment within a week or two of the passage and royal assent to the land transfer tax.

What we have are two pieces of legislation which are really in a legislative shambles. The government has such a mix of motives and objectives, some of which are explicit and some of which are propaganda that they haven't been able to come up with an effective tax. They are patching feverishly the kind of instrument they are attempting to create even before they have been able to get it through the House.

This is a very complex piece of legislation, so complex that it clearly should have been raised with some measure of time to have input from everybody who is necessary in a standing committee of the Legislature. However, the minister has already indicated we are not going to waste time with that; we are going to rush it through even though it is so faulty that amendments have to be introduced almost within a matter of days.

Assuming the government persists on this, I suspect it's going to take two or three years to get an effective piece of legislation; and there will be no effective piece of legislation until the message is communicated to the people who are engaged in the speculation that the government really means it. Until now, the message that has gotten to the people who are really engaged in the speculation is precisely the reverse. They know the government doesn't mean it. They are not complaining, because they don't need to complain.

The second weakness of course is the whole incidence of the tax. The tax can only be effective if it isn't passed on to the consumer. Otherwise, it's just going to become another cost of doing business for the speculator. And that tax is not going to be passed on to the consumer only if the market is firm enough to resist upward pressure.

All one has to do is to note the fact that in the city of Toronto resistance was so nonexistent that in the month of April, three weeks of which followed the introduction of the tax, there was an eight per cent increase in the cost of the average dwelling in the metropolitan area during that single month.

If in fact the government wants to make a tax really effective, 50 per cent obviously isn't going to do the trick. I suspect 75 per cent isn't going to do the trick; I suspect at least 100 per cent is the only kind of tax which is going to make it an effective speculative tax. And it must be a tax that will have to be paid out of the speculator's pocket, in whatever fashion the government deems effective to make certain he pays it rather than it just being added onto the price and passed on to the consumer.

In fact the provincial Treasurer in his report presented a table that showed the impact of corporation tax and capital gains and this. It is interesting to raise the question that if taxes at 61 per cent and 74 per cent have been passed on, and those are the figures which the provincial Treasurer presented as the impact of taxes during the course of his budget presentation, if those could be passed on—and clearly they have been passed on; we have seen the consequences which have forced the government to move now—what reason is there to believe that a tax somewhere between 81 and 87 per cent won't be passed on?

After all, the difference between 61 and 74, and 81 and 87 isn't so great as to suggest that suddenly the minister is going to achieve his purpose and the tax isn't going to be passed on. What evidence can the government present to the House to show that the breaking point for speculation, or for speculators, lies between 81 and 87 per cent? Or that an increase of six per cent will do the job whereas a tax of 81 per cent didn't beforehand? There has been no

evidence submitted and I suggest it simply doesn't exist.

However, I just want to mention, because it has been dealt with by other people and clearly other members who want to speak to this bill will come back to it again, that the exemptions and the deductions which are permitted in the bill make a mockery of the bill from the word go. There are so many exemptions that clearly the minister had to concede he was only going to raise about $25 million revenue out of the literally hundreds of millions, or indeed billions of dollars in speculative profits which have been made in land in the past and there is good reason to believe are going to continue.

There is the proposition, for example, of the 40 per cent rule. As my colleague the member for Riverdale (Mr. Renwick) pointed out, the very fact the government would say that if one put a building on which represents 40 per cent of the total value of the property one is going to be exempt from the tax, indicates that the government itself is conceding that 60 per cent is going to be for the land. And 60 per cent for the land is embedding, consolidating, this fantastic land cost.

There used to be a day when one could buy a lot for $5,000 and put a home for $15,000 or $20,000 and have a total home value of $20,000 to $25,000. Now here is the government conceding that if one has a piece of land, as long as one puts a home on it which represents only 40 per cent of the total selling price, one will be exempt from payment of the speculative tax. The government has conceded, as I said in my budget reply, that not only does it accept inflation, it is living on the profits of inflation. It even talks about sharing the profits of inflation. Here we have another instance of it when the government speaks of the total value of a property and is willing to concede that the land component of that total is going to be 60 per cent.

As for the 20 per cent renovation exemption—if 20 per cent renovation costs are put in a property one is exempt from the tax—in the current market within Metropolitan Toronto that is almost nonsensical. One buys a property for $30,000 and puts in at least 20 per cent, which is $5,000; $35,000 or $36,000 is the total outlay but one is likely to be able to turn around and sell that house for $45,000, $50,000, $55,000 or $60,000.

The minister has done nothing to undercut speculating in land costs. Indeed, his procedure with the 20 per cent renovation cost is only going to be a further incentive to pursue the whole matter.

Mr. Givens: To put in a shower costs $5,000.

Mr. MacDonald: Pardon?

Mr. Givens: To put in a shower costs $5,000.

Mr. MacDonald: My friend over here says to put in a shower costs $5,000. I can assure members if I were going to do it it would be cheaper than that, but he may be right. Perhaps for a home in Forest Hill Village or somewhere like that he may well be right.

Mr. Givens: The member is always discriminating against Forest Hill. He used to represent Forest Hill; he never used to talk that way about it.

Mr. E. R. Good (Waterloo North): He is against taxation.

Interjections by hon. members.

Mr. MacDonald: As a matter of fact, when Forest Hill Village was part of my riding I gradually reduced the density of the majority—

Mr. Good: He got better the longer the elections went on.

Mr. MacDonald: The member is right, the longer the elections went on.

Mr. Good: That is right and I don't think—

Mr. MacDonald: However, I am glad to leave it to the member.

Let me try to summarize, Mr. Speaker. This is really a repeat of what I have already said in the budget, but it becomes even more pertinent and even more relevant now we have come to the detail of the tax itself.

What this bill does is to consolidate the land speculation which has gone on in the Province of Ontario. There's no effort, there's no desire, there's no intention to create a situation that might reverse the trend or even engage in some sort of a roll-back procedure. What the government is doing is consolidating the incredible gains that have gone on in past years up until April 9.

Well presumably that might be some measure of progress if it was going to be halted there, but I pointed out that the loop-holes in the bill are such that it's not going to halt the increase. An 8 per cent increase, three-quarters of which came in the

month of April after this bill was passed, is some indication of just how ineffective the people in the game of speculation regard it. So the government is going to have a continuation of increases in the future, as well as a consolidation, an imbedding into our price structure of those that have gone on in such scandalous fashion over the last two or three years up until April 9 this year.

In short, Mr. Speaker, the tax is a fraud. I am sorry to put it into such blunt phraseology, but the tax is a fraud. If the purpose of the tax is to do something about halting the speculative profits on land, it is simply not going to achieve that. And it becomes a double fraud if the government really believes, as the provincial secretary has implied, as the Minister of Revenue has stated, and as it was confirmed by the Provincial Secretary for Resources Development (Mr. Grossman) the other day in an interjection, that the whole objective of the bill is a boost to our housing programme; that it is going to increase costs—not going to bring more property onto the—

Hon. J. White (Treasurer and Minister of Intergovernmental Affairs): On a point of order, I hope my hon. friend will apologize for the use of the word "fraud" some months from now, if the remarks of the president of the Toronto Real Estate Board are sustained. I see, in a Toronto Star article dated April 27:

> TREB president Maurice Park, early this week, credited the Ontario government's land speculation and land transfer taxes and 11 per cent mortgage rates with cooling the real estate market that has run rampant for several months.

Mr. MacDonald: What date is that?

Hon. Mr. White: This is Saturday, April 27; and in the same article the Toronto Star says that when the "unprecedented buying spree by Metro Toronto home owners is over, the map shown above should become a collector's item."

Mr. MacDonald: Is the minister making his speech now?

Hon. Mr. White: Now then, sir, my only suggestion is if the president's remarks prove to be correct and if our anticipation is proven by events, I hope my hon. friend will apologize for the use of that very strong word "fraud."

Mr. MacDonald: I am not going to apologize for it. And may I say to the minister if he had really been listening to me, and not just looking at me as though he were listening, I acknowledged that the real estate board people had said that. I pointed to the fact they had engaged in the self-serving game because they are willing to play along with it. This bill is not going to hurt them. They are not complaining. They are presumably going to be the victims of it. They are not being hurt at all.

Mr. P. D. Lawlor (Lakeshore): Will the minister apologize in four or five months, too?

Mr. MacDonald: They made that statement because they are in the game with the minister. They and the minister are pretending to come to grips with the problem and the minister is not coming to grips with the problem. The answer to the minister and to the spokesmen for the real estate board is that the day after he made that statement, the figures came out from his own agency which indicated that the cost of an average home had gone up from $50,000 to $54,000 in the month of April; three-quarters of which was after the bill had been brought in.

The bill is a fraud in terms of what the minister says it is going to do; namely, eliminate speculation. It won't. The bill is a fraud in terms of it being a real boost to the government's housing programme, which has been reduced to a shambles. It is for that reason we are going to oppose the principle of the bill, because the principle of the bill is not, ostensibly, to deal with the problem the title of the bill suggests.

Hon. Mr. White: The hon. member will eat his words before this has run its race.

Mr. MacDonald: Like the minister with his energy tax last year.

Mr. Speaker: Does any other member wish to participate in this debate? The hon. member for Essex-Kent.

Mr. R. F. Ruston (Essex-Kent): Mr. Speaker, I would like to speak briefly on this bill. To begin with, I want to say that I believe in the philosophy of taxation on a dollar; it should be taxable, regardless of how you earn it. Having worked for a long time on a wage or salary, or whatever the case might be, the taxes the government took out were always taken out before I even had a chance to spend any of it. I felt that taxation, in order to be fair, should be based on the dollar taxed regardless of how you make it, whether it's with your hands or whether it's with your brain.

With the speculation tax, what I classify as speculation is, I suppose, more predominant here in the Metropolitan Toronto area, and possibly Waterloo and Ottawa, more so maybe than even in our own area of Windsor and the surrounding towns. We have it there in a smaller way. My interpretation of the speculator is a person who would buy a couple of hundred acres of land that was farmland at the time he bought it. He may or may not rent it out for farming; he is more liable to just let it grow up in weeds or perhaps only have someone cut the weeds on it and nothing more. Maybe a couple of years later, as the city grew, he might sell it for 10 times what he paid for it without doing anything to it. That's what I would call a speculator.

I have noticed in the towns in the area I'm from and in some other parts of Ontario that someone might buy 100 acres on the periphery of the town or sometimes right in the town. Some of the town sites were larger than the built-up areas, and now that they are putting in sewage works and so forth this land is now available for building on.

I feel that if a person was to buy 50 or 100 acres around one of these towns and spend two or three years getting the municipality to come to agreement on the subdivision agreement, getting approvals of the plans for subdivision through the provincial government and things like that; he in turn, of course, adds a fair amount of value to that property. If he has a subdivision agreement, he has the zoning properly planned and such things as that, then it would seem to me he would be adding something to that land.

Some of them, of course, don't have the capital to develop it. Then, in turn, they sometimes may sell it to someone who has the wherewithal and the equipment to go in and put in the sewers and the watermains and the roads and so forth. These would be people I would classify as heavy construction people who may come in and buy it from him to put in the services. And then they in turn sell it, maybe five or 10 lots at a time, to what I classify as small builders.

A lot of small builders I'm aware of may only employ not any more than one or two besides themselves. Some of them operate as a family enterprise, just as in a farming enterprise; their boys work with them when they're not in school and their wives work with them.

This is how they're making a living; and I will say they're making a good living at it. But they're building new homes and they have to depend on these lots being available. They don't have the capital to go in and buy 25 acres or 50 acres or 100 acres and develop it. They have to depend on someone else.

So we have almost what we call a three-stage programme to get this land from raw land to the stage where you can move in and live on it in a house. I think the minister should give some consideration to some form of exemption for that type of stepped programme. If a person buys it with the intent and purpose of getting the zoning done on it, getting the plans done, obtaining the agreements with the municipality, getting the subdivisions approved here in Toronto—I don't think that if he does that within a reasonable length of time he should be taxed. Of course, I suppose someone could ask, "What is a reasonable length of time?" That could vary from one year to five years I suppose. But knowing the way this has been going on in the past it sometimes takes as long as three years to get all these approvals, so he has got his money tied up in the property for that time.

This is one area I think we should be looking at. I don't know that these people would be really speculators. They probably are to some extent; I guess we're all speculators in effect. Most of us will go and buy a $1 ticket on a raffle or a $10 ticket on the Olympic lottery and think that sometime we might win $1 million. I suppose that's speculating too, to a degree.

But this is one part of this bill that I think should be given some consideration. Perhaps when the bill was written it had some loop-holes, from what I can gather, although I think sometimes it is more of an umbrella type of bill that covers more things than the minister intended when he first thought up the bill and the plan. That would be the Treasurer of course.

I would suppose we wouldn't have as much need for this if we had had more action on the part of the government in the past few years in the approval and constructing of sewer works in many of the cities and towns. There was the time delay. I can recall in my own area that they had a hearing in 1968, when the hon. member for Wellington-Dufferin (Mr. Root) was the vice-chairman of the Ontario Water Resources Commission. He appeared at that hearing. They were making an application to install a sewage treatment plant outside the town, in the township, and there was a necessity to have a hearing at that time. It is now 1974 and the contract has not yet been let for the sewage project.

In the meantime, the town has annexed 400 acres of land in the adjoining municipality

to square up its boundaries. There were no objections from the township because it was so located that it was an ideal situation for the town to annex all this land to square up its boundaries. It has 300 of the 400 acres ready for development now. It has been sitting there for a couple of years. If this sewer work had been done within a reasonable time, these lots would have all been built on. This land would have all been built on now and it would have avoided the pressure from escalating prices.

What with restrictions on selling lots out in the country area—the severances—pretty well restricting sales to farmers only or their sons who are involved in the farming operation, that too caused pressure. Since that has been put on it has put pressure on people to look to the towns for building sites. But the problem was the province wasn't ready and wasn't prepared to offset that pressure by mounting a crash programme to get sewage works built in these towns.

Another thing they are doing which is probably going to hurt the situation too is the undersizing of sewer works in some of the towns in which they are building them. They are saying your town can build 200 homes over a period of 10 years. That is only 20 homes a year, and this restriction is in effect causing the escalation of prices. So they are compounding their own problems by what I call just bungling here in the ministry and failing to approve subdivisions and get sewage work completed within a reasonable length of time.

That's about the only thing I have to say right now, Mr. Speaker. I will look forward to seeing amendments to the bill and discussing them in committee.

Mr. Speaker: Are there any other members? The hon. member for Parkdale?

Mr. J. Dukszta (Parkdale): Mr. Speaker, Bill 25, innocuously titled An Act to impose a Tax on speculative Profits resulting in the Disposition of Land, stems from numerous and diverse sources. The bill stems from an attempt introduced in the budget to produce an anti-inflationary policy and an attempt by the government to produce some kind of a viable housing policy, in an attempt to solve what I think is an increasing housing crisis in Ontario, and especially in the city of Toronto.

It is this gimmick of blaming the speculators for the mess in housing which has not been dealt with by the government that is almost amusing. It is not the government which is to be blamed. It is tenants, it is speculators, it is the inflationary spiral, it is the federal government—anyone but this government.

This Act, which is supposed to deal with the land speculation, ironically enough doesn't even deal with the land speculation. The tax doesn't seem to be a land speculation tax, but more a tax on land and residential dwellings and encompassing much more than raw land, which is a statement made quite recently by the Metropolitan Hamilton Real Estate Board.

It is of some interest that it is called just a land speculation tax. Bill 25 has to be judged according to the hidden agenda inherent in the bill. There are two key areas that need to be discussed in detail for us to understand how monumental is the failure of the government to deal with two major areas of crisis in our society. One is inflation, the other is the housing crisis.

Let us deal first not with the implicit hidden agenda but with the explicit statements about solutions that the bill is supposedly designed to deal with.

The government having convinced itself—especially the three ministers—that the speculators are a major cause of rapid inflation in housing prices and major performers in having created the housing crisis, the government has unveiled the speculators' tax as the solution to the problem.

The weakness of the speculation tax as a means of stopping housing price inflation falls under four general headings:

1. The problems associated with any attempt to control behaviour of any kind through the tax system.

2. The incidence of any speculation tax: will it fall on the speculator or will it be passed on as a cost of doing business to the consumer?

3. The exemptions and deductions in the proposal are so generous as to make the tax virtually ineffective; and

4. The role of speculation in the housing price spiral: a speculation tax can't do it alone.

Most of those points have been dealt with in some detail by other members of this party. I merely summarize them to point out how ineffective is even the stated purpose of this particular tax.

What is so interesting is that both the bill and the statements of the Minister of Housing (Mr. Handleman) betray, almost unconsciously, the fact that the government is recognizing that there is a major crisis in housing, a crisis of almost gargantuan proportions. The

housing crisis and galloping inflation cannot easily be separated, and above all cannot be dealt with by this bill. It reminds me of a physician who, when faced with a broken leg, gives a couple of Aspirins and hopes for the best.

Let us deal first with the bill as a part of the government's supposed anti-inflationary policy. If I were narrow-minded and field dependent—which is a psychological term that indicates some individuals are capable of focusing on the issues only in the way that they present themselves—I would bring down proposals to dampen rising housing and real estate costs precisely in the manner that the present Minister of Housing has done. But my party and I have long since left the early 20th-century clemencies to the Keynesians, represented here so well by the two ministers.

Let me take a few moments to bring to the attention of the House the real factors involved in the current housing and land inflationary spiral. In order to deal with the problem, one must first understand the problem, otherwise the solutions offered will be meaningless.

First, we must ask, why are housing and land costs escalating at the present ridiculous rate? The simplistic and erroneous answer—and, incidentally, the one stumbled upon by the minister and his myopic advisors— is land speculators, foreign, national and individual. At this level of analysis, the solution is of course a set of disincentives to acquire housing and land by way of taxation.

The minister and his group, as is their wont, stopped at this level of analysis, when in fact another question required to be asked. The question is a more fundamental one. Why are foreign and local institutions and individuals speculating in this particular area of economic activity, and in doing so driving up prices to heights beyond the reach of most people in our province?

There are two reasons. First, land and housing are scarce resources. There are limits or boundaries to the quantity and the quality available. Therefore, as money is poured into this sector, prices will automatically rise. Therefore, it is a good investment. Therefore, many institutions and individuals will put their capital into this sector.

The second reason is more subtle and for this reason escaped the minister's contemplations. Think of the ordinary citizen, the ordinary investor, or even "the little people," as the minister, the Treasurer, so endearingly and paternalistically puts it. From a variety of investment options available, why is housing and land selected as a sector in which savings are placed? Surely there are other investment alternatives—for example, government of Ontario debentures or the stock market; or guaranteed investment certificates or bank savings accounts.

Well, needless to say, all of us recognize that the alternatives I referred to amount to actual losses when calibrated with the annual increase in the cost of living. Why, for example, buy Ontario bonds at 7½ per cent, or whatever, when the cost of living will increase by 10 or 11 per cent? Why put savings in a bank account, for similar reasons? Why invest in the stock market, which has demonstrated nothing but a "head and shoulders" effect for years? Why should people, I ask the minister, put their hard-earned savings in losing causes? It doesn't make economic sense to do so.

It is perfectly clear to most people and institutional investors that one of the few remaining investments of merit is housing and land. Putting savings into this sector is a guarantee against the penalties of inflation. This sector is now the only major investment source that makes any investment sense. I know it, my colleagues in the NDP know it, the official opposition knows it, and I think the government knows it. So also does everyone else.

In view of this universal knowledge of the economic psychology of investors, and the bad repercussions it is having in our society, one can only wonder why both ministers have opted for Mickey Mouse legislation instead of bearing down on the real problem. Why, for example, have they not thought it prudent to suggest that in order to remove economic pressure from the housing and real estate marketplace, they should increase the attractiveness of other investments?

Why not, for example, bring about a change in the interest rate of Ontario bonds and bonds governed by the province, that is Hydro bonds, so that instead of arbitrary interest rates such as 7½ per cent per annum, a fixed interest rate of three or four per cent could be made plus an interest-bearing rate equivalent to the annual increase in the cost of living. In this way, bonds would again become an attractive investment in the sense of providing a hedge against inflation. In doing this, obviously, Ontario would lead the field in enlightened economic policy and by example force the federal government and the governments of other provinces, and the banks, to make similar necessary moves.

The implementation of such a scheme would immediately create alternative investments to the frantic field of housing and land.

The point I make is a simple one. People in Ontario are dismayed at the present situation in housing and land prices; they are alarmed at the probable future of these prices. In response to this fear they are turning their savings into this segment of the market because there is no comparable alternative in sight. The Conservative government must shoulder the blame for this flight of confidence.

I think it is rather interesting that I am arguing from a more conventional financial point of view to a government that seems to have abandoned all prudence in that respect.

It is patently obvious that the government does not have an economic plan for the citizens it represents. The problem is much more serious than the piecemeal solution the government has tabled before us. I fail to understand how policy can be offered without a proper diagnosis of the problem on the one hand, and without any clear-cut objectives on the other.

Here we are, a wealthy province, without an economic head. Heed me: We are, indeed, heading for more chaos in the land and housing market until such time as the government decides on a justifiable set of policies.

In this respect, I would like to ask some objective questions of the minister. Does he think that adequate housing for the lower socio-economic groups is a desirable objective? Or does he think that the middle and lower income group should be protected from the scourges of inflation? Or does he think both? And if so, what in heaven's name does this present bill have to do with these objectives and what the hell does the whole budget have to do with the present objectives?

Let us look at the other part of the hidden agenda of this Act, which is the housing crisis, and let us look at how the bill pretends to deal with the crisis. We have often said in our NDP policy statements that an attack on speculative profits, even if effective, cannot in itself reduce housing prices. Such action must be coupled with a programme to relieve the pressures that lead to inflation in the first place. For the immediate future, this means massive government involvement in the housing market as opposed to the present token efforts. For the longer term, it means redirecting growth away from areas like Toronto that are experiencing the high costs of excessive growth and toward areas in need of development.

The government's share of the housing market in Ontario is pitiful. The following is the picture for 1971. In the figures I'm going to give the housing stock figures are from the census, the public housing figures are from Ontario Housing Corp.

In 1971 housing stock for all of Ontario, the number of units owned was 1,400,340, rented 825,150; total 2,225,490. The figures for Ontario Housing's portion of this were: Owned 9,092—that's the HOME Programme—and 42,359 under administration; total 51,451. Ontario Housing Corp. units as a percentage of Ontario stock worked out to: Owned 0.65 per cent, rented 5.13 per cent; total 2.31 per cent.

In 1972 the additions to housing stock were: Ontario Housing Corp. public housing 6,967 units; HOME lots 1,785 units; for an Ontario Housing of 8,752. The Ontario Housing Corp. total of completions was 96,438, which showed Ontario Housing Corp. percentage of overall 1972 completions to be 9.08 per cent.

Compare this with what goes on in Britain where more than a quarter of the housing stock is rented from local public housing authorities. My source is "Fair Deal for Housing: British Command Document 4728, July 1971." This is a low estimate of total government involvement since it covers only public housing.

This dismal performance in Ontario is merely a reflection of the government's general attitude toward housing. In the Comay report, in the government's prior policy and in its statements subsequent to the report's publication, the basic philosophy is always the same: Housing is to be primarily a private commodity rather than a social need; the private sector is to build what it wishes to and make its profits and the government will deal with that part of the population that is not served; and the quality of the public housing that is built must be such that it is clearly separated from the private housing market.

Until Ontario has a policy for all housing, until government undertakes massive direct involvement in the housing market, there will be no solution to the housing crisis. The real reason is quite simple—the business of development and real estate industry is to make money, not to achieve social housing goals. Yet the government persists in its belief that the housing problem can be solved by viewing the province, municipalities and the private development industry as equal partners in the pursuit of social objectives.

The present Attorney General, in his last major speech as housing minister, recognized the failure of co-operation with private industry when he criticized the integrated housing and rent supplement programme, but the message was lost on the present Minister of Housing. He now holds up his programme as a shining example of what the housing action programme will be like.

An overall massive, publicly financed and subsidized building programme is, indeed, the only long-term way to solve the present crisis in housing, but on the immediate basis certain things can be done which would ameliorate the present situation. I want to spend a few minutes to go over a particular proposal which is of some interest and shows how a group of people, limited in power, can actually do something about the housing crisis.

I am referring to a report which is called "The Living Room: An Approach to Home Banking and Land Banking for the City of Toronto," which has been prepared under the chairmanship of Michael D'Arcy Goldrick. The Goldrick report on housing, "Living Room," is a major approach to home banking and land banking for the city of Toronto. It was produced in November, 1973, and is a brilliant attempt to provide innovative and ingenious solutions to the present housing crisis in the city of Toronto. The solutions were presented virtually on a shoestring because the municipal government, unlike the provincial government, has neither money, responsibility nor power to implement a significant housing programme. The provincial government which is and should be predominantly responsible for housing does very little to solve the crisis in housing.

Alderman Goldrick recommends that the city first of all adopt as a basic principle that decent housing must be provided for those who cannot afford it. An interesting departure is the recognition by a major political figure with a large following in the city of Toronto that housing is a social need, not a commodity to be used for making money. He suggests it must be done both by building new housing and by preserving, improving and converting existing housing. He also stresses that the consumer and community must be involved in non-profit corporations as producers of housing.

Alderman Goldrick recommends that the city adopt the following housing targets for each of 1974 and 1975. Again, I am fascinated by the fact they are prepared to go to such an extent and I am reading this into the record here to show that the government, with its own infinite resources, should follow an equal policy. On page 2 of the report he suggests the city adopt the following housing targets for each of 1974 and 1975:

(a) The production of 4,000 new units, to include;

(b) The production of 2,000 new assisted units, as defined in this report, of which 1,000 would be produced for low income households and 1,000 for moderate income households, as defined in this report;

(c) Thirty-five to 40 per cent of all new production be family housing and that half of all new assisted housing be suitable for families;

(d) The unit production allocated as shown on table 4 of this report;

(e) The acquisition of 600 existing housing units, 300 by the city and 300 by private non-profit groups;

(f) The rehabilitation of 600 housing units, about 200 of which will be acquired under (e).

Goldrick also recommends, if necessary, changes in the official plan to allow for a more extensive building programme and a possible conversion of apartment hotel sites, and so on.

Additionally he recommends the city adopt a major land assembly and banking programme. Again where you have the limited powers of Toronto municipal government the report urges adoption of all means of persuading the provincial government to help the city with its housing programme and use everything the federal government offers in the form of CMHC under section 42 and section 16 of the National Housing Act and other sections.

The report then states that if land cannot be purchased consideration should be given to expropriation. This is an example of the extremely ingenious outlook characterizing Goldrick's approach to housing. He suggests the city of Toronto planning board and the parking authority jointly examine the present parking authority sites to find out whether those sites could be jointly used for both parking and housing.

On page 7, under "City Non-Profit Housing Programme," Goldrick suggests full involvement of the city in the non-profit housing programme. Is the government really ready to react to this very pragmatic approach? The breadth of imagination exhibited by what I call Goldrick's knowhow, shoestring approach is spectacular. On page 8 he says there is a number of ways of rehabilitating existing housing in an attempt to reduce the cost of housing for people.

There are also sections on public housing, assisted home ownership and organizing for housing delivery.

I have consciously stressed Goldrick's proposals, and the Goldrick knowhow on a shoestring, because this proposal reflects a willingness on the city's part to innovate, to improvise and to build on a limited budget, while on the other hand there is a staggering unwillingness on the part of the provincial government to be involved in the housing crisis. The government should do as this report suggests. It says:

> Where municipalities are willing and able to undertake the responsibility for planning, developing and managing assisted housing programmes, this responsibility should be delegated to them [by the provincial government, fully]. This should be based on adoption of a joint plan for assisted housing which sets out the provincial and municipal housing objectives and how they are to be implemented. In the first instance, delegation should take place in Metropolitan Toronto, which has half the provincial stock of assisted housing.

It is not clear whether the report advocates that the metropolitan corporation, rather than the area municipality, should be responsible, nor whether it is the responsibility for all assisted housing programmes which is contemplated or only public housing. But surely there is room for some kind of massive co-operation here as long as the provincial government is at the moment willing to be involved in it.

Control of housing costs and a massive housing programme on a public basis, if the government is ever willing to go into it, will by themselves not solve on an immediate basis the problem of escalating costs on family-owned housing, because family-owned housing is now only 50 per cent of all accommodation in the city of Toronto. The other half is rented accommodation. Though increases in new housing will maybe control prices in the long run, on an immediate basis we will have to do something about the present escalating rent for the people who live in rental accommodation.

There are many ways of doing this. One way which has been suggested and urged by many people on the provincial government is to introduce some kind of a rent control—whether as a rent control, a rent freeze or rent subsidy. I want to mention that rent controls are at best only a temporary stopgap, but would be a major step in bringing about an overall housing reform in Canada.

In 1968 the Economic Council of Canada pronounced that a desirable rent in proportion to income was 25 per cent. Tenants, on a national average, spent 17 per cent of their income on rent in 1969. However, a 1968 survey of households receiving public assistance revealed the shelter-income ratio to be 46 per cent on a national level and 49 per cent in Toronto. That is the group least able to pay for shelter must spend almost 50 per cent of every dollar for that purpose.

Parkdale has a higher proportion of disadvantaged people than many areas of the city. The Parkdale Tenants Association has recently produced a two-part brief on rent control. It is a long document and I am not going to read it all. But I want to urge the government to move decisively into the whole area of rent control and rent subsidy, as both ways of alleviating the present housing crisis and also, not incidentally, as an important way of controlling inflation.

Only a comprehensive housing policy, which has as its two main thrusts a massive public subsidized housing programme and concurrent rent controls, has any chance of solving our housing crisis.

Mr. M. Gaunt (Huron-Bruce): The member for High Park (Mr. Shulman) doesn't agree with the member for Parkdale.

Mr. Dukszta: Oh; what am I to do about it?

The curious scape-goating that goes on in this bill about the speculators, merely throws sand in our eyes and persuades some gullible people the government is actually doing something about the housing crisis.

Mr. Speaker: The hon. member for Windsor-Walkerville.

Mr. B. Newman (Windsor-Walkerville): Thank you very much, Mr. Speaker. I wanted to make a few comments concerning Bill 25; the bill that proposes to impose a tax on speculative profits resulting from the disposition of land.

Mr. Speaker, I support the principle of a speculative tax. I think it is right that if one does nothing to a piece of property one should be taxed substantially for it; were he to make some type of contribution in the way of developing, then it would be a different story.

Mr. Speaker, as a private member, I, as well as all of my colleagues, deplore the continuous escalation in the prices of homes. We are all extremely concerned. We have so far seen the rampant or the mushrooming

effect in the city of Toronto. We are afraid, very much so, that that may spread to other parts of the province.

It has gone 50 miles or 70 miles beyond Toronto and we don't want to see it coming into the Windsor and Essex county area, where the only home that an individual will be able to afford in the not too distant future will be the mobile home.

As an aside, Mr. Speaker, I have noticed that mobile homes in the state of Michigan sell for as little as $5,800; and that same home in the Province of Ontario goes for $9,000 and $10,000. So you can see the difference in the prices between those two jurisdictions.

Mr. Speaker, I feel the land speculation tax as drafted by the ministry will have a deleterious effect upon the cost of new homes, because they fail to distinguish between speculators and developers.

There are three distinct stages of new home development. These can be described as subdividing, servicing and building. The subdivider buys the raw land and goes through all the procedures required to obtain the release of a registered plan of subdivision. This process is risky. It's time-consuming and requires a great deal of legal, engineering and survey work.

Then Mr. Speaker, there is the developer who specializes in the installation of the services required in a new subdivision—say services such as sewers and roads. Finally there is the builder who actually constructs new homes on the serviced land.

There are, of course Mr. Speaker, large companies which have the resources to be able to complete the entire process themselves, from the purchase of the raw land to the construction of the new home. These are in some instances almost "megacompanies."

However, there are others who simply specialize in one particular field of development, and this tax is weighted heavily against them. These include the farmer who obtains a registered plan of subdivision on his land but has neither the resources nor the expertise required to construct sewers, roads or homes. They include people who specialize in obtaining raw land and converting it into registered plans of subdivision. They include companies which specialize in putting in the services after the plan has been approved, but before home construction can begin. They include small independent builders who must rely on others to provide them with serviced lots.

Mr. Speaker, while there is a certain element of speculation in every area of land development, there is a clear distinction between those whom I have mentioned previously, who make a valuable and indispensable contribution toward making homes available, and the pure speculator who not only does nothing to solve the housing crisis but artificially escalates prices by taking subdividable land off the market.

There can be three effects of levying this tax against the subdivider at either of the two early phases of development. First, the subdivider will be forced to go into the business of servicing land and building homes. This is outside his area of expertise and most often beyond his financial ability. Second, the subdivider will sell out to a large company which can carry out all three stages of development and then avoid the tax. Third, the subdivider will add the cost of the tax to the land and ultimately this will be passed on to the home buyer.

Mr. Speaker, I am certain the majority of the homes in Essex county are supplied by smaller, independent builders who rely on others to supply the serviced lots. Because of this tax, there is a fear that these builders will be forced to pay more for their lots than the large developer who can service his own land. Ultimately, the large developer would acquire a monopoly and the small builder would be out of business. We would have the development of a "megacompany."

Mr. Speaker, I would suggest to the hon. minister that the land speculation tax should contain additional exemptions; for example: One, the transferor who has purchased raw land and sells it under a registered plan of subdivision. A second exemption, a transferor who has bought property under a registered plan of subdivision and sells it as fully serviced land. And the third exemption, that a transferor who has purchased serviced land and sells it with a building, the value of which exceeds 40 per cent of the proceeds of distribution.

Mr. Speaker, the effect of the above exemptions would be to encourage land which is suitable for development to be developed and would discourage the multiple turnover of land without improvements. Anyone who buys raw land and sells the land as raw land would still be liable for the tax. Anyone who buys unserviced subdivided land and sells it without servicing it would still be liable for the tax. Anyone who buys fully serviced land and sells it without building upon it would be liable for the tax.

This amendment, Mr. Speaker, would permit the continued competition between the large company which has resources to subdivide and service its own land, and the small owner or developer who only has the resources to compete in one phase of the total development. This would also encourage any landowner to make his land available for development if it is located in an area where it should be developed.

Mr. Speaker, the independent home builders in Essex county are very much concerned about the small builder, who normally builds between five and 10 homes a year. He is vulnerable to many factors such as the weather, the economy and his own illness; this may all adversely affect him. A prolonged period of bad weather can totally disrupt his whole plans. The uncertainty of the economy, especially in one-industry communities, can have an unforeseen effect on the number of homes he may be able to sell in any particular year. When the small builder becomes sick, his entire operation is brought to a standstill.

In addition, the uncertainty of whether the tax would become payable would cloud the transaction for up to a whole year. There is little doubt that if the tax does become payable, it would be passed on to the ultimate consumer. The administration of this tax then, Mr. Speaker, would become very complicated.

Finally, the amendment suggested would not exempt the subdivider who sells his land to a company which specializes in servicing land. Any tax levied at any stage will ultimately be paid for by the consumer.

Mr. Speaker, the independent home builders and developers in Essex county believe that to relieve the pressure on housing costs, government policy should be directed toward making more lots available for building, primarily by speeding up the subdivision approval process.

The government should also consider subsidizing the cost of installation of new services, such as sanitary sewers, rather than continuing to place the full burden of these services on the new-home purchaser, who in turn may also be the party to whom the property is rented. Coming as I do from a community that has had a shortage of rental properties for many years, I can point out to you, Mr. Speaker, that last September there was a need for housing accommodation for 840 senior citizens. This year, as of April 1, there is a need for 1,076. So you can see, Mr. Speaker, how acute the need for accommodation is in the city of Windsor itself. In September, 1973, there was need for 826 family units. As of April 1 this year there are 613 requesting family accommodation. The combined needs for senior citizen and family accommodation on April 1, 1974, was 1,689; in September, 1973, it was 1,666. One can see that in well over half a year we have only a difference of 33 housing units to both senior citizens and families in the community. There is still a substantial number of people who do not have housing accommodation. We have provided a considerable number, but the demand continues to increase.

Mr. Speaker, I am very much concerned that the tax may be passed on to the eventual buyer of the home. In this way the senior citizen and the regular individual who must look in the commercial housing market and not in government geared-to-income housing will find himself so adversely affected he will have no choice but to curtail the purchase of necessities and essentials to keep alive his attempt to find housing accommodation.

I hope, Mr. Speaker, that my fears may be allayed by the minister because I am very much concerned that the cost of housing may escalate as a result of this.

Mr. Speaker: Does any other member wish to speak?

The member for Scarborough West.

Mr. Lewis: Mr. Speaker, I have a few comments I want to make on the bill to the minister, and I think others of my colleagues do as well. We haven't given up on the debate on second reading of this piece of legislation yet, although presumably it will conclude in the evening.

We are the only party now opposing the bill in principle and I want to say something about that, Mr. Speaker. I want to draw attention, for a moment at the outset, to the Liberal rhetoric in this Legislature and what it has meant.

When the tax was first indicated in the budget statement which was brought down by the provincial Treasurer, I think probably an error in judgement was made by the Liberal Party; and in this case, as in the land transfer tax, it indicated almost uncritical approval.

Its members were able to disengage themselves on the land transfer tax because of some adroit footwork, in the absence of the leader, by the member for Kitchener (Mr. Breithaupt). But on this bill they were too committed and they couldn't extricate them-

selves, and so they are going down the line supporting a bill which is absolutely unsupportable. They are supporting the bill and, in the process, maligning it in a fashion which makes the hypocrisy of the position worth putting on the record for a moment.

Mr. Gaunt: Is the member in favour of the speculators?

Mr. Lewis: I don't usually involve myself this way—

Interjections by hon. members.

Mr. Lewis: If the member is going to ask me, or rather to tell me—

Mr. Good: Does the member support the speculators?

Mr. Lewis: —that the enemy is over there, I know where the enemy is. Let me deal with the sort of corporal's rump over here for a moment or two, because they are kind of an engaging piece of nostalgia.

Hon. A. K. Meen (Minister of Revenue): Never mind, they have demonstrated some intellectual integrity over there.

Mr. Lewis: That is the first time.

The member for Downsview (Mr. Singer) said: "It is a gestapo arrangement that the minister is setting." Now that's not bad. It's not bad for criticism, it's not even bad for hyperbole; but by God, it is really quite something to describe central clauses of the bill as a "gestapo arrangement" and then support the principle of the bill.

The Leader of the Opposition (Mr. R. F. Nixon) said there should be a tax on unconscionable profits. Mr. Speaker, with great respect, the unconscionable profits which will continue to be made once this bill comes into force puts to the lie that kind of argument because what it means is that some profits are less or more unconscionable than others, but on the principle of unconscionable profits generally, the Liberal Party will share half a loaf. Well we just simply will not accept that. Unconscionable profits are that, period—and I will define them for you if you want me to, Mr. Speaker—and we won't have anything to do with it.

The member for Downsview said, in that memorable phrase—it's such a delicious quote I have to put it on the record:

> Mr. Speaker, we are going to support the principle of the bill, but my colleagues and I are going to watch very, very closely the kind of amendments that are brought forward and, if they are not good enough by the time it gets into committee and on third reading, we may completely change our approach.

Well, as a definition of contemporary Liberalism there is nothing more succulent on the record.

Interjections by hon. members.

Mr. Lewis: Now, the member for York-Forest Hill; who has a kind of peroration capacity, I don't know. This is what the member said:

> So, Mr. Speaker, it's a sad day when we deal with a piece of legislation which is of such far-reaching consequences. I would never expect that a true blue Conservative government would bring such legislation into this province because of the effect that it's going to have on the whole economic picture of the province. It will have no beneficial effect that anybody can see in bringing down the price of housing. It will have no beneficial effect as far as bringing in revenue is concerned, because the minister himself has admitted that it's not going to bring in a great deal of revenue and that isn't its fundamental purpose.
>
> So what is the purpose of this particular piece of legislation? It is to indicate to the public that the government is doing something for them; to indicate to the public that it is trying to stoke the fires of inflation; to indicate to the public that it is trying to bring down the cost of housing when, in effect it is not doing that at all.

Then the member for York-Forest Hill will stand and support the principle of the bill.

Well you fellows, and the member for St. George (Mrs. Campbell), are a quite remarkable crew. If this parliament is recognized for anything it's their capacity to shift posture from Monday to Tuesday and Tuesday to Thursday without so much as a scruple.

All right, that's fair enough. I understand. And by the way I say that more amiably than I've ever said anything before, because I appreciate what's being played.

Mr. Lawlor: Don't say it too amiably.

Mr. J. E. Stokes (Thunder Bay): Haven't they got some virtues of some kind?

Mr. Lewis: I shudder to think, should they ever be called in to be advisers for the government of Nova Scotia let us say, because they'll never reach the government here.

I would say, Mr. Speaker, as colleagues in my party have indicated, that this bill is absolutely unsupportable in principle; we cannot bring ourselves to support it. It is one thing to enshrine a principle as a kind of blanket coverage for a piece of legislation, but when the legislation itself emasculates that principle, or when the principle is clearly revealed as misconceived and essentially fraudulent, it is impossible to support it.

There are more loop-holes — I've jotted down some of them and I'm going to deal with them — there are more loop-holes and inadequacies in this piece of legislation than

we have seen in some time. As a matter of fact, it's very much like the profiteering legislation that the federal Liberals just brought in, of which the New Democratic Party said similarly, in the House of Commons: "We will have nothing to do with it." This government can't expect us to support such a nonsensical conception as the Land Speculation Tax Act. Let me just raise the points very quickly, Mr. Speaker, and see if I can make the case.

No. 1: It has been said by certain of my colleagues that the government is trying to use taxation as a tool in order to effect social policy which can only be effected by major legislative changes of an essentially non-statutory kind, or major legislative expenditures which don't involve taxation alone. It can have legislative enactments which freeze the price of land or roll it back. That might make some sense. It can have a legislative enactment which buys for the public sector 100,000 to 150,000 acres of land on which to erect housing in Ontario within, or adjacent to, the 20 major urban centres. But to pretend that by this taxing device any effective social policy will be achieved is simply a deception, and I think the government understands that.

Let me go further than that. It is worth noting in this regard that the days of rampant land speculation in the Province of Ontario followed the imposition of the capital gains tax introduced—1970 or thereabouts, 1970-1971?

Mr. Good: Jan., 1972.

Mr. Lewis: Jan. 1, 1972—and the greatest increase in the cost of land and the cost of housing has occurred in the two-year period since the capital gains tax was imposed. Mr. Speaker, that either says something to the government about the way in which corporations and large land holders can get around capital gains imposition, or it should have told them that the speculative land tax is of no consequence at all.

As a matter of fact it won't make one jot of difference. The speculation will continue unabated.

The second point I want to make, Mr. Speaker, is that the Speculative Land Tax Act takes no account of retroactivity at all. Harold Greer, in a rather neat article I saw on this tax, pointed out—I think I quote him fairly—that "that's like walking in insanity."

That is exactly what the government has done in this bill. It has accepted the worst speculative increases that have occurred in the Province of Ontario up to and including April 9, 1974, and said that's fair game. Any tax we apply, we will apply subsequent to that. What the government is saying is that the speculation—which drove the marketplace out of kilter entirely, which added to the housing crisis, which is itself anathema to most civilized people—was entirely acceptable until April 9, and any profits, however usurious to that date, will be sanctified by this government. Anything we do will only be applied after that. All of the absurdity involved in speculation will not be touched. For that, of course, is also an appreciable defect of the bill.

Let me go further, Mr. Speaker. The loop-holes and the exemptions in the bill are absurdly widespread. This bill is like a sieve through which the remaining speculators will slide easily, comfortably, all the way to the bank. And I think the minister is aware of that.

As a matter of fact, one of the particular loop-holes, the 40 per cent on property loop-hole, is particularly grievous. What the minister in effect is saying is that if you bought a piece of land for $20,000 some years ago and you put a $40,000 structure on it, you can then sell it for $100,000, giving yourself a tripling of the land value because the $40,000 will represent the 40 per cent that is required in order to grant an exemption under this Act. As a matter of fact, that kind of relationship is not at all far fetched. It is merely a simple measure of what has happened in the marketplace.

In tolerating that, the government has given to the speculators a kind of measure of greed which they themselves have not to this point had, and I am not sure the government realizes that. As a matter of fact it was my colleague from York South who was saying that if you set up this ratio of 40 per cent, you are saying in effect that land is worth 60 per cent, and I want the minister to think about that for a moment. I would like him to tell me, based on any analysis that he has made, when it was, at a given point in time, that land was expected to assume 60 per cent of a real estate transaction.

Mr. Speaker, there was a time when land assumed 20 per cent and property 80 per cent. There was a time when land assumed 40 per cent and property 60 per cent. There may even be a time now in some parts of the province where it is a 50-50 split. But what the government is saying to the speculator in this bill is that you can drive up land prices to represent as much as 60 per cent at any transaction.

Now that is unconscionable. That is creating a precedent for driving up the prices of land in Ontario which knows no parallel. And it's an open invitation.

It's like the land transfer tax bill, where the government says: "Ontario is still for sale, only it will cost you a little bit more." What the government is saying in this bill is: "The land is still for sale and you can make a little more on it than you were able to make on it before." It's really quite incredible that this should have been the case.

Our colleagues in research in the New Democratic caucus point out how developers would be totally exempt from tax on other grounds. Let me give another example, which is a perfectly relevant example.

A developer who bought land in 1967 for $2,000 an acre, built houses for $25,000 and sells the houses with lots for $60,000 in 1975—that's all, that's quite appropriate; that happens all the time—making a profit on the land of $138,000 per acre, assuming four lots per acre, is therefore exempt from the tax.

Mr. Good: The hon. member doesn't know much about the cost of building a house.

Mr. Lewis: What, $25,000 per house? Well, they build them under the HOME plan for $19,000, $20,000 and $21,000. There are a great many places in this province where they can build a home for $25,000. Well, make it $30,000 or even $35,000. That still allows for the extraordinary profit on land. As a matter of fact, in the example I've used, the net profit is $138,000 more than the acquisition cost. And all of that is within the developer's right. He's not touched by the tax. He has done what he was required to do.

Now the same thing obtains for the sale of property renovated at 20 per cent of the acquisition cost. I want to point out that that too is a total loop-hole in this legislation. It won't stop any of the white-painting, so-called, in downtown Toronto; as in a place like Donvale. As a matter of fact, Mr. Speaker, I recall using figures in my Throne Speech contribution of the accelerated cost of housing in the Donvale area over the last few years, all of which would be acceptable within the parameters of this legislation.

In other words, this legislation has opened up so many avenues of escape for the development industry that it is rendered virtually irrelevant. And as a speculative land tax, it falls flat on its face. Therefore, how in God's name can the minister support it in principle?

As a matter of fact, again if I remember the concluding paragraph of the Greer article—and I was quite struck with it—he said, and again I think I'm quoting him accurately: "It is all madness and quite unnecessary." I would have to agree, and I don't always agree with Harold Greer. There are those rare occasions when we have differing opinions, which are on those occasions when we differ. It happens.

Hon. Mr. Meen: Very rarely.

Mr. Lewis: Now Mr. Speaker, that is why one must then look to the amount of revenue which the ministry expects to gain from the bill. And, again, I think this demonstrates how silly is the whole process.

In the course of the debate on the land transfer tax, my colleague from Riverdale used the figure of $11 billion as the value of total real property transactions in the Province of Ontario in a given year. It was then suggested that $10 billion was probably closer to the truth. It's hard to extrapolate specifically, given the figures that are available. The one-third of one per cent and the one-sixth of one per cent that had been paid on the land transfer tax was a good route to establishing the total real estate worth in any given year by way of transactions in Ontario. I think the minister conceded that the $10-billion figure was perhaps not out of line. I think the $10 billion figure is supportable on the basis of the projections which were done. Since it wasn't refuted and was accepted in debate—maybe it is out a percentage point here or there—let me show the hon. members what happens.

Total property sales in Ontario in 1973-1974, 1974-1975, can be estimated at at least $10 billion; it may be more but let us take the $10 billion figure for 1973-1974. If average prices rise by 20 per cent in 1974-1975, hardly a great projection since they are rising at the rate of seven or eight per cent per month at the moment, the inflationary gain on sales in 1974-1975 will be about $2 billion.

If we assume an average carrying period, since April 9, of six months, about five per cent of this would be deductible given the 10 per cent carrying cost per annum. Thus the total potential taxable gain—the total gain—is $1.9 billion. If we apply the 50 per cent tax on that we might expect in the

Province of Ontario in the year 1974-1975 a revenue of $950 million representing 50 per cent of the real estate transactions in the province minus the carrying charges which are deductible under the government's legislation and which I have counted in.

Do members realize what that says about this bill? It says the projected revenue from the speculation tax is $25 million and that represents 2.6 per cent of the revenue which would be received if the entire market were covered. The government has a potential tax revenue of $950 million, it expects a revenue of $25 million which represents 2.6 per cent of what it might get from a serious tax and it pretends this bill is supportable in principle. How is it possible? How is it possible that this bill is so riddled with exemptions that in advance the government is positing the assumption that $925 million will be lost to the public purse?

I may say, Mr. Speaker, that even if the figure rises from five to 10 or from 10 to 15 per cent—one doesn't know because we are dealing with a $10 billion figure and it is difficult to know whether it is $9 billion or $11 billion— but even if the tax reflected five per cent or 10 per cent or 15 per cent, doesn't the minister see the tax is excluding the bulk of the real estate transactions in the Province of Ontario? He has understood that in advance.

If this were a buyer's market, I suppose that wouldn't matter because that kind of tax might have the effect of moderating the amounts charged for land and housing in the rest of the real estate sector. But it is not a buyer's market; and because buyers are frantic and because houses are scarce and because costs are so high, the reality is that the tax now imposed will have virtually no effect whatsoever on the real estate transactions in the Province of Ontario.

The minister may be willing to refute some of that, but I think the essential argument is pretty straightforward. As a matter of fact, when we asked the provincial Treasurer, I remember, some weeks ago after the budget was tabled what were the various percentage components, in dollar values, of types of real estate in Ontario—commercial, industrial, residential, and so on—he was unable to answer. He had no answer for that. So the $25 million figure must therefore have been plucked from the air. There is no other way it could have been arrived at. The $25 million represents such a marginal percentage of total real estate transactions, were they seriously taxed at 50 per cent, that the whole tax cannot be considered serious in any sense.

Therefore, Mr. Speaker, the crux of all this comes back to the cost of land and the cost of housing. I must agree with the arguments made by members in the Liberal Party and members in my own party, that the present tax is likely to drive up the prices in Ontario.

Now the developer will be encouraged, if he worries about the tax at all, to build on the land; therefore he will compute as high a cost of the land as he can once the property represents 40 per cent.

Alternately, if he feels he can't escape the tax or some measure of the tax, he will simply incorporate it into the cost of doing business. That has obviously happened since the capital gains tax was introduced; it will obviously continue to happen.

Further, it appears as though the government is systematically forcing out the small builders in Ontario unless they bring in an amendment which significantly alters the legislation. That creates an even worse situation because the large developers will hold onto the land. All of us have received, from real estate boards, from small companies, from all kinds of people, recognition that small builders are being forced out.

I had a letter recently from someone in Guelph naming the development companies which had indicated to the private small builders they simply were not providing any more lots. They would do the building themselves and that, too, would drive up the cost, because the developer will incorporate as much as he can for the land.

Finally, Mr. Speaker, the cost of rental accommodation will have to absorb the increase of this tax, if ever it is felt and should anyone feel they can't escape it, because if one wants to sell rental property, that again becomes a cost of doing business.

I just don't think this piece of legislation was seriously thought about at all. I don't think any of us on this side feel that. The government was in a tremendous bind. The government is under bitter and relenting criticism about its housing policy.

Mr. M. Cassidy (Ottawa Centre): What housing policy?

Mr. Lewis: Yes, about its so-called housing policy. The government won't do the job that is required to be done in the simple provision of homes, so it looked around for a bogey. It looked around for a straw man

that it could set up and then demolish, and it found it in the speculative land tax. For the first time in the last several months, the new Minister of Housing started to talk about speculators, just in advance of the budget being brought in. And the government then trumpeted a speculative land tax from the provincial Treasurer and pretended that the least amount of money it got the better it would be. But it really demonstrated that the loop-holes were so large that it don't really expect any revenue from it anyway.

But in terms of dealing with the crucial issue, it responds not at all, and the minister knows that. The real principle of the bill, unstated in its title, reads: "A speculative land tax in order to provide accommodation in Ontario." That's the real principle of the bill. The Treasurer admitted it, the Provincial Secretary for Resources Development admitted it in the House last Monday night, April 29, and the Minister of Revenue admitted it. That's the principle of this bill. If the government wants to pretend there is a principle with respect to a speculative land tax; it is defunct, it is absurd and the minister can't support it. If he wants to go further and pretend that there is a principle here that relates to the provision of housing, which is the assertion of the Treasury benches, then that too collapses. Because there isn't a single thing in this bill which will solve the housing crisis.

Mr. Speaker, housing is a frustrating business to talk about, but in some ways it is the most important thing to talk about. It is the one issue clearly identified in the public mind, out of the whole area of inflation, as a provincial responsibility. I quite agree that the Premier (Mr. Davis) has managed, to use the words of my colleague from York South, to "flim-flam" the jurisdictional responsibility for inflation when it comes to energy prices, food prices and a number of other areas where provincial-federal relationships are allegedly ill-defined. But when it comes to housing, there is no question in anyone's mind where the responsibility lies. It lies with the provincial Conservatives. It is very much their present and future Achilles heel, and because their homage to the private sector is so complete, they brought in this kind of bill hoping that public attention would be sufficiently diverted to allow them to pretend that action was under way.

Well, let me remind the minister, I won't take long and I'll take my seat—let me remind the minister—and the question period today was interesting in that regard—Eli Comay left in January, the end of his temporary contract. He has sat through the tax task force, seen the Ministry of Housing born, agreed to a temporary contract at the request of the Premier, provided the basis for the so-called Ontario housing action programme; and from the day of Eli Comay's departure to this day, May 6, 1974, there has not been a significant new ingredient in the housing crisis in the Province of Ontario, not one.

The new Minister of Housing repeats up and down the province his reliance on the private development industry and the malleability of the municipalities. The municipalities said in May that the private development industry wants a quid pro quo, they want a trade-off, which even this government so far cannot provide.

The Minister of Housing has talked about HOME lots, increasing in number to 6,000 this year, to be offered to the private sector. But not a word in this House about how many of these lots will actually be taken by the private sector.

The Ministry of Housing concedes there are 22,000 acres all in the Ontario Housing Corp. land bank, 4,000 acres recently acquired in the regional municipality of Durham. But from the point of the announcement to the point of this debate, there has not been a tittle of information about when that land will be serviced, how many homes will go on it and whether or not it will be used to overcome the present housing crisis.

There has been support expressed by the provincial government for the federal programme, non-profit co-op housing; but let me make it clear, Mr. Speaker, that that is a federal initiative, a pretty excellent federal initiative as a matter of fact, and if it were up to this government it would never have happened. As a matter of fact if it were up to the parliamentary assistant for housing, the member for St. David (Mrs. Scrivener), we would have no non-profit co-op housing anywhere in the Province of Ontario. And it was only the acceptance of a federal initiative which gave that programme some substance.

I want to simply point out to you then, Mr. Speaker, that there is a staggering default of any specifics in the whole housing area.

I got a letter from the Minister of Housing today about Malvern. He indicated, Mr. Speaker, in his letter—I represent a Scarborough riding so I presume that was the reason for sending it to me—the minister at

any rate pointed out there are condominium units going up in the Malvern area. If memory serves me it is a total of 154 units—maybe it is 134, but I'll inflate it to be on the safe side—154 condominium units which he is going to allow to those people who participated in the lottery some months ago for phase two of Malvern.

Now let me remind the Minister of Revenue there were some 230 houses offered in phase two, and in a matter of days there were 10,000 applications. The newspapers indicated some 20,000 were turned away or some 20,000 simply gave up. And what the minister is saying is, he is adding 154 to that 230, leaving some 9,500 or 9,600 people who couldn't even find a HOME lot on which to present a bid.

So the reality is that we are surrounded by total collapse in the housing programme. The geared-to-income housing programme has not been extended, the HOME housing programme has not been extended, the servicing of OHC lots has not been accelerated, the new Ontario housing action programme with input from the developers and commitment from the municipalities has not happened. The only thing the Minister of Housing has done in a concrete way is to announce that the cost of houses on HOME lots will go up in price.

Now, maybe there is some kind of nemesis about this housing portfolio. Maybe there is a death wish about it, maybe it is a Midas in reverse—

Mr. Speaker: Order please, I think the member for Scarborough West is not on the principle of Bill 25.

Mr. Lewis: I am on the principle of Bill 25—

Mr. Speaker: No. Would he get back to the principle of the bill?

Mr. Lewis: —because the speculative land tax bill is specifically designed to place more housing on the market. I don't have to tell you that during the debate the Minister of Revenue said: "And one of our major objectives is getting more housing on the market." The Provincial Secretary for Resources Development said—it is on the record—that "the bill is to provide land and housing."

Mr. J. R. Breithaupt (Kitchener): I was here; I heard that.

Mr. Lewis: I am speaking to the principle of the bill. I am telling you, Mr. Speaker, that the tax part of it is an absurdity. It shouldn't be dignified by a vote in the House; and the housing part of it will never occur. It is as unprincipled a piece of chicanery as this government has engaged in in some considerable time.

The government pronouncements are worthless. It is kind of like the Toronto Real Estate Board announcing that housing prices have levelled off 48 hours or 24 hours in advance of a jump of $3,000 to $4,000 per transaction in Metropolitan Toronto.

The Treasurer of Ontario, Mr. Speaker, has long been infatuated with that lovely little fairy tale about the emperor's new clothes. He is infatuated by it because it best conveys for him the quality of the legislative process as one of masquerade. I think he is carrying his personal foibles a little too far, don't you?

I mean, Mr. Speaker, if you really subjected this bill to scrutiny, the contents are naked—don't you think so? Don't you think the bill could be charged with indecent exposure if you move too far in an examination of its contents? There is nothing in this bill that merits support. The only way the government could rescue this bill is by withdrawing it.

I must say—and I don't want to embarrass him—I thought the member for York-Forest Hill made a first rate speech on this bill. I thought the way in which he ended clearly catapulted the Liberal Party into the necessity of opposing this in principle, because the logic was inescapable. Okay, apparently not; apparently the official opposition is going to give the government support on principle. But we are not going to give it any support on principle.

All my colleagues have indicated to you, Mr. Speaker, where this bill is wanting. All of us have demonstrated to the minister that it is a piece of legislation which shouldn't even be dignified by debate in this House. All of us have indicated to him that where we can we will try to amend it in committee; although I really must say that the best course of strategy in committee is simply to oppose the sections rather than reinstate them unamended.

Let me say to the minister that he already has so many amendments planned, he has already been so embarrassed by the content of the bill, he brings it up for debate in the desperate hope that the federal budget and the rumours of war will somehow eclipse what is occurring here. Everything the minister has done is designed to avoid the essential embarrassment about a piece of legislation

which is essentially worthless—and we will have none of it.

Mr. Speaker: The hon. member for Huron.

Mr. J. Riddell (Huron): Thank you, Mr. Speaker. I just want to say a few words on this bill.

Again, we on this side support the principle of the bill, but we certainly do not support all aspects of the bill as it stands at the present time.

Anyone who has any social conscience at all has to deplore the continuous escalation of the prices of land and property; there is no doubt about that. Certainly if low and moderate income families want to own their own home, and if young people interested in embarking on a farming career want to buy land for that purpose, then we as legislators must be prepared to co-operate in any attempt to put some stability into the cost of housing and land.

The land speculation tax as presently drafted fails to distinguish between speculators and developers. Now, surely the developer who buys raw land and goes through all the procedures required to obtain the release of a registered plan of subdivision, should not be required to pay this tax. This land is then very often purchased by another developer who specializes in the installation of the services required in a new subdivision, such as sewers and roads. Surely this developer should not be taxed for his efforts in endeavouring to put more serviced lots on the market. Then of course we have the builder who actually constructs new homes on the serviced land. We realize he is exempt from the tax; but in many cases this builder is not going to be able to stay in business, as he relies on the subdivider and the developer for the serviced lots on which he builds. The subdivider will either sit on the raw land and wait until prices go even higher before he goes through the stages of subdivision, or he will incorporate the added costs of this tax into the sale price of the lot. This ultimately will be passed on to the consumer or the person buying the house.

The reason we support this bill in principle is that we look favourably on taxing the speculator who buys and sells land and houses for generally nothing more than paper money, and without adding any improvements whatsoever to the property.

This speculator, Mr. Speaker, is the person who has driven the price of farm land to prices beyond the reach of young people who wish to become producers of food. An economical farm unit today is considered to be in the neighbourhood of 200 to 250 acres. Because the speculative price has spread beyond the boundaries of urban centres, this acreage will cost in the neighbourhood of $200,000. Add to this cost another $50,000 worth of machinery—this is a conservative figure, small c — and another $25,000 worth of livestock, and we are now talking in terms of $275,000 to $300,000 for this young fellow to get into the farming business. The maximum loan this young farmer can get through the Farm Credit Corp. is, I believe, $100,000. Thus he is $150,000 to $200,000 short of what is required in order to get into the farming business.

The reason he is subject to such a high cost is because of the speculator who has been buying land. As I say, the speculative price has been moving further away from the boundaries of the urban centres and out into the country.

Then we wonder why the price of food is accelerating year after year. As long as the speculator is allowed to continue his practice of profiteering, then farmers are going to continue to exert pressure on government for stabilized prices so they may meet their cost of production and hopefully make a small profit; and consumers then are going to ever be faced with rising prices.

Most farmers will endeavour to start their sons in the farming business, and therefore they tend to ignore the outrageous prices that are being offered for their farms. A lot of farmers say: "This is the only thing I know. I know how to farm. I have no desire to go into industry or into the city; and therefore I am not interested in the price that is being offered for my farm."

So they are going to try to start their young sons into the farming business. But at some point in time this farm is apt to pass out of the ownership of the family, and according to this bill as it now stands, this farm will be subject to the speculation tax.

I contend, Mr. Speaker, that the farmer who has owned and farmed this land for a good number of years should not be classified as a speculator if he sells his farm to someone other than members of his own family. He did not get into the farming business to become a speculator, yet he is being penalized because he has worked a lot of hard years trying to produce food for the consumer only to find that when he sells the farm he is going to be subject to this 50 per cent tax.

Nor do I think the elderly lady who sold the home that she and her now deceased

husband lived in all their lives should be classified as a speculator. But according to this bill, if she happens to sell that house for three times what it originally cost then she is subject to the tax. Certainly neither she nor her husband bought that house for speculation purposes.

Neither do I think the owner of a fourplex who sells for reasons beyond his or her control—be it health reasons or age or what have you—should be classified as a speculator.

To my way of thinking, this bill does not spell out what a speculator is. Therefore it certainly is not clear in my mind who is going to be subject to this speculation tax. I would hope that when some of these amendments come in we will find out for sure who is going to have to pay this tax and who is going to be exempt from paying it.

Mr. Lawlor: Then the member will vote against it!

Mr. Riddell: But the farmer, the home owner, the owner of the fourplex—

Interjections by hon. members.

Mr. Cassidy: The member is going to vote for the bill? He can't vote for the bill on what he says. He is going to break ranks with the party.

Mr. Riddell: These people are all expected to pay the speculation tax; and I say, Mr. Speaker, they are not speculators.

So we are going to wait for the amendments to come in and we'll know better then exactly what stand we are going to take. But at the present time, we are in favour of the principle, we are in favour of taxing that speculator who is simply buying and selling land without adding any improvements to it. We are certainly not in favour of taxing the farmer who has farmed this land all his life, the home owner who has to sell the house for some reason or the owners of a fourplex who have had to sell again for reasons beyond their control. Thank you.

Mr. Speaker: The member for Ottawa Centre.

Mr. Cassidy: I just find the position put forward by the member for Huron really quite incredible.

Mr. Lewis: We were being friendly.

Mr. Cassidy: What he has said is the Liberal Party seems to support the bill, but that at times the bill is casting too broad a net. The fact that it is taxing, is it 2½ per cent of the transactions, is too broad; and that the speculators who are causing the problems in the Province of Ontario do not account for 10 per cent of the transactions and not for five per cent, not for the 2½ per cent that the minister is trying to tax, but maybe for one per cent or one half of one per cent; and so we are left with this incredible position—

Mr. R. Haggerty (Welland South): So a person can have two homes; one in Ottawa and one on Toronto Island.

Mr. Cassidy: We are left in this incredible position as far as the Liberal Party is concerned, that the net of the bill is too broad. I hope that has impressed itself on the minister. And I hope he understands that the support he is getting from that side of the House is qualified on even more exemptions being written into the bill, in order to narrow it down until finally one person in the province, one person in the province, will be singled out and will actually have to pay the tax as far as that party is concerned.

Mr. T. P. Reid (Rainy River): Now he's got it.

Mr. Cassidy: Now speculative profits as a whole, you know, Mr. Speaker, don't only go to people who walk around in dark raincoats wearing dark hats.

Mr. Reid: They go to millionaire socialists.

Mr. Cassidy: Nor do they only go to people who wear loud, flashy check suits or something like that. They go to people who are cabinet ministers for God's sake.

Mr. Reid: And in corduroy jackets.

Mr. Cassidy: They go to people who are farmers, they go to people who in their normal lives are God-fearing gentlemen, and who go to the Presbyterian church and appear as elders every week. These people are speculators as well.

Mr. Reid: Keep going, the member hasn't missed anybody yet.

Mr. Riddell: A farmer is a speculator in the member's mind?

Mr. Cassidy: A farmer who receives $2,000 or $3,000 an acre for his land is not receiving agricultural value for his land—

Mr. Speaker: Order please; the member for Ottawa Centre should be on the principle of the bill.

Mr. Cassidy: —he is receiving speculative value for his land.

Mr. Lewis: Members will notice the unions weren't mentioned.

Mr. Cassidy: That's right, Mr. Speaker. You know, we are just about to call time for private members' hour. And one of the points I don't think anybody has quite seen in the bill but which I think ought to be made—and I am sorry the response to this bill is going to come from the Minister of Revenue and not from the Minister of Housing—because there is a very clear abandonment of the course of action the government took in relation to housing last September when the decision was announced to set up a Ministry of Housing.

If the minister has read the Comay report, he will find that of all the priorities in the housing field, the question of speculative gains on land was seen as a corollary, as incidental, as secondary, was not seen as an area of primary concern to the government. Now as it happens we disagreed with the Comay committee's point of view on the questions of speculation and speculative profits in the land field. But as far as the government was concerned, they took the stand that if they got moving on the supply side, put lots on the market, bought land for development, accelerated the provision of services, the other problems would take care of themselves.

That was the point of view the government expressed at that time. The government endorsed in general all of the findings of the Comay task force, and those findings indicated that the question of speculation was secondary.

The Comay commission said specifically that the taxation of speculative profits in land is a matter which should be given early study, but they did not call for any immediate action at this time. They said that taxes on speculative values created considerable problems in regulation and administration, which could lead to more and costly procedural delays than now occur. The Comay task force said that a tax on speculative values also produced numerous side effects which would have to be examined in detail before any positive recommendation on their use could be made. Then they said you should examine land value taxation under the context of the tax system as a whole.

When it looked in detail at the various kinds of taxes, including speculation taxes, which could be applied, the Comay commission said these taxes constituted a kind of level of provincial involvement in the private sector which was restrictive to competitive enterprise and was unwarranted, at least until other policies and programmes had been fully explored.

In other words, they said if the government chose to go into a speculative land tax, it means that they admit the other programmes and policies they're adopting are a failure. We're willing to agree that they're a failure, but the government has not been so frank in its assessment so far. I would hope that the minister, for once, would vault beyond the narrow technical confines of his responsibilities in order to answer in this debate on the broad grounds of housing policy, since the tax on speculative gains on land was so clearly intended by the Treasurer as an instrument of housing policy.

The Comay commission said these taxes could also seriously distort the operations of the housing market with long-term disadvantages. They spoke of the difficulties of proper and equitable regulation and administration, and they said these taxes would not deal directly with the central issue, which is the supply of land for development.

On behalf of the New Democratic Party, Mr. Speaker, I can associate myself with all of those criticisms of the tax as it has been put forward by the government at this time. The failure of the government is that it continues to try somehow to prop up the private development system for land, even in bringing forward this tax. The minister and the member for Huron may disagree as to what exactly a speculator is, but they do seem to agree that somehow one can sit down in the market and one can define certain kinds of activities which involve the taking of massive profits from land and call them speculative, and take other kinds of profits which also arise from land and define them as not speculative but as being legitimate and therefore not subject to tax.

Frankly, we don't see that kind of distinction being a realistic one. As far as I'm concerned, Mr. Speaker, the profit which is taken by a developer who bought land for $2,000 an acre a few years ago and is now selling it at the equivalent of $150,000 an acre, covered with houses or some other form of development, that profit on land is just as unconscionable as the profit which is taken by somebody who is churning land and passing it from hand to hand in the speculative

process which has preceded the actual development.

In the one case, you have a series of people trading the land, and the ultimate position is that the land is retailed at $150,000 an acre, where it began at $1,000 or $2,000 an acre. In the other case you have one developer who buys in at $1,000 or $2,000 an acre and who is retailing that land again at $150,000 an acre. But in the one case the concentration in one hand of that process is exempt from tax; and in the other case the proliferation of hands at the till is seen by the Ontario government as evidence that something wrong is going on, and therefore it taxes it as a tax on speculators.

Mr. Speaker: Perhaps the hon. member should adjourn the debate.

Mr. Cassidy: I'd like to proceed for a a few more minutes, Mr. Speaker, so possibly I could adjourn the debate at this time.

Mr. Cassidy moves the adjournment of the debate.

Motion agreed to.

PRIVATE MEMBERS' HOUR

BEDS OF NAVIGABLE WATERS ACT

Mr. Haggerty moves second reading of Bill 18, An Act to amend the Beds of Navigable Waters Act.

Mr. R. Haggerty (Welland South): Thank you, Mr. Speaker. This bill represents, perhaps, to a great number of citizens in Ontario, their last hope of retaining ownership of the province's valuable shoreline for posterity's sake.

In 1968, the then Minister of Lands and Forests (Mr. Brunelle) had indicated to the Legislature that a departmental study of between 1,400 and 1,500 township lots in 76 townships fronting the Great Lakes had been completed. A legal opinion at present is being prepared by the department on the extent of the beach land in those townships which may be in public ownership.

The wording used in the grants from the Crown for these lots varies in terminology. In some cases it may indicate to the shoreline, to the water's edge or to the bank, and in many other instances to a post or a benchmark. The minister then stated that this time it appears the policy which may be followed is one of acquiring privately owned land where it is in the public interest. The cost of buying lands that, in a number of instances, are now Crown lands, has been estimated to be well over $400 million.

Mr. Speaker, the issue is the present struggle of citizens of this province to control lakefront beaches that line some 14 miles of lakeshore in the former county of Welland. But in the broader picture the issue is the control and development of recreational resources in Ontario, and perhaps elsewhere in Canada, particularly in regard to Crown lands.

In January of this year the Supreme Court of Canada upheld the Ontario Supreme Court's decision of Chief Justice Stark that owners of four beachfront properties in Bertie township were entitled to exclusive ownership right to the water's edge, and further entitled to erect fences barring the public the right to walk the shoreline. Chief Justice Stark of the Ontario Supreme Court has, in my opinion and in the opinion of others, disregarded all the evidence and the results of early surveying, which indicated benchmarks beginning at a post along the lake, and meaning high-water marks or places of vegetation growth.

Mr. Speaker, I would like to read into the record from some provincial surveys or land patents back in the year 1798. This one is in reference to Mr. Daniel McQueen, township of Bertie.

> Beginning at a post of the front concession marked 15 and 16 on Lake Erie, and then north 134 chains more or less to the third concession, then west 20 chains, then south to Lake Erie, then easterly along the shore of the lake to the place of beginning.

And, of course, the place of beginning is a benchmark at post. This is registered in the Land Titles Office—I guess it would be registered—in 1797. And again, this concerns property in this vicinity:

> Beginning at a post on Lake Erie marked 13 and 14, thence north 81 chains and then west 20 chains, then south to Lake Erie, thence along the bank to the place of beginning.

And, of course, again there are two benchmarks here, Mr. Speaker. There is a post, a benchmark or surveyor's post, and the bank, which means the sand hills along the shoreline.

And the third reference here is the register of property in 1797 to Jeremiah Kettle, township of Bertie:

Beginning at a post on Lake Erie marked 16 and 15, then north 142 chains more or less, then west 20 chains, then south to Lake Erie, then easterly along the lake to the place of beginning with allowance for roads.

So, you can see by the difference descriptions of titles to land patents here that there is some question as to the intent of it, but I think the intent is there at the "beginning at a post." It may say "along the lake"; that could be the bank or it could be the water's edge. I am not quite sure but I think the intent is that there was a benchmark there beginning at a post.

The present chaotic situation lies directly with the government. In fact previous governments of the Conservative Party are responsible for the confusion arising over the ownership of shoreline property. The government must answer in a responsible manner to the citizens of this province, particularly for the 1951 amendment to the Act. In 1941 it was indicated that the shoreline for beaches was interpreted as the high-water mark or the banks of the lake. The Conservative government in the past number of years has handed public property to the private owners along our Great Lakes shorelines.

Mr. Speaker, I would like to read an article from the Buffalo Courier-Express concerning this decision of the Supreme Court of Canada. This was an appeal made by the then Minister of Lands and Forests for a Supreme Court hearing. The decision was handed down here in February of this year, The headline reads:

THUNDER BAY BEACH GROUP UPHELD ON WATERLINE RIGHTS.

Ottawa—The Supreme Court of Canada Tuesday sustained the claim of four Buffalo area residents that they own the beach in front of their Lake Erie-Thunder Bay summer homes to the waterline.

Justices of Canada's highest court unanimously rejected an appeal from the Province of Ontario whose attorneys argued that Ontario for at least 40 years had insisted that beaches remain public on Crown lands converted to private use.

But lawyers for the Thunder Bay property owners maintained that their clients enjoyed a special distinction: Their land was originally given by a grateful British government to veterans who had served the Crown in Canada's colonial wars, principally the war of 1812.

CLAIMS TRACED

"The issue here was, what did the first lakefront property owner claim as his right?" explained Richard Moot of Buffalo, a US attorney for the property owners.

"We proved that this first landowner, a War of 1812 veteran who had once been taken prisoner and held by the Americans in a Philadelphia camp, claimed to the waterline.

"That established the right of all succeeding property owners, including our clients, to claim the beaches to the waterline."

Attorneys for the province argued that ancient royal grants gave landowners title only to the high-water mark, leaving the beach from there to the waterline in the public domain. But the high court in its unanimous decision found so little substance in this claim that it ordered the Province of Ontario to pay the court costs.

"This is done only in cases where the judges find the case has almost no merit," Moot explained.

Moot, who has a home in Thunder Bay, left prosecution of the case to attorney W. L. N. Sommerville of Toronto. He earlier had won favourable decisions in Ontario county court and the Supreme Court of Ontario.

Some of the most persuasive earlier testimony for the four property owners, Moot said, came from John Lord O'Brian, who was the oldest lawyer licensed to practise before the US Supreme Court when he died last year at the age of 95. O'Brian, long a Buffalo lawyer, was one of the first US citizens to acquire property on the Canadian lakeshore, Moot said. Despite his advanced years, he took the stand to refute many of the claims of provincial witnesses.

"Among other things, they claimed a road once ran down to the middle of the beach," Moot said of the O'Brian testimony. "He denied it and convinced the judges it was not so."

COMPLAINANTS LISTED

Moot and others, seeking a landmark decision that would protect US property owners, selected four neighbours in the Centralia Ave. section of the Thunder Bay beachfront as complainants. They were:

Mrs. Richard Stockton, Sr., of 28 Hodge Ave., Buffalo, and her son, Robert, who owned summer homes on opposite sides

of the Centralia Avenue "allowance"; William Walker and Mrs. Mary Elizabeth Letchworth of Orchard Park.

It's amazing that when you appear before the Supreme Court of Canada that we, as Canadians, have to go to American neighbours and bring witnesses to appear and tell us, "I know more about your land than you do as Canadians."

I think, Mr. Speaker, this is a most distasteful case before the Supreme Court of Canada. In particular I have argued on numerous occasions about this particular court issue and the ownership of the land. I have indicated that along that shoreline some 100 years ago there was a landmark there and parts off it are still there today, concerning a windmill, which used to be a grist mill and used to grind the grain. People used to travel the lakeshore because there were no roads in this particular area 100 and some years ago.

To have some American come over here and tell us it was a veteran of the War of 1812! The land was first surveyed in 1797 and title of the land was given to, I think, a Mr. McQuinn. At that time he was one of the original property owners. It was not in the War of 1812. To think that things of such importance as this—and perhaps even rubbish like this—would appear before the Supreme Court of Canada and that witnesses from some other country or from one country, would come over here and tell us, perhaps based on these arguments put forth, that he knew more about the history of that area, I am a little bit amazed and astonished at the decision of the Supreme Court.

They might be knowledgeable men—no doubt about it, they are—but their wisdom and judgement in this particular case, I don't think was in the interests of the people of the Province of Ontario or the citizens of Canada.

This is going to start a precedent in Ontario. Perhaps we are going to see very shortly that there will be applications made to the Lieutenant Governor, the cabinet of the Province of Ontario, to county councils and regional councils to dispose of all road allowances on existing lakes throughout Ontario. If the road allowances are closed off and given to a certain privileged few people who own cottages along the lake, the lakes will become totally private. I don't think it is in the best interests of the people of Ontario that these lakes become totally private, denying the public access to them.

I suppose I could go back to the early history of the Province of Quebec and its statute under George III giving to fishermen and other persons rights of access to the waterways and beaches along the shoreline from Quebec—along the St. Lawrence River straight through the Great Lakes system. For some reason, over the past number of years it was particularly the decision of this government—not this particular government but the Conservative government in 1951—to make amendments to the Beds of Navigable Waters Act which allowed the owners rights, perhaps to the water's edge.

I would like to see the government move now in this direction and either rescind that 1951 section of the Act or bring in a totally new Beds of Navigable Waters Act which will define the shoreline of the property. This is what the intent of the bill is.

The purpose of this bill is to provide a uniform interpretation of deeds of property bounded by navigable water so that the high-water marks shall be deemed to be the boundary of such property and that property shall remain as Crown lands. I don't say as public lands but as Crown lands. In future years if the government wants to, it can extend the boundaries or extend the agreements to include larger and more areas of beaches throughout Ontario. As our population grows, we are going to need more recreational lake-front property.

There was an article in the Toronto Star of Monday, Feb. 4, 1974, on the opinion page; it was written by Judy LaMarsh and the headline was: "We Should Buy Back Lake Erie Beaches." As I stated before, the minister has suggested that we should buy back Lake Erie beaches but she goes on to say:

> That's a heap of public funds to buy back what was legislated away. But there is no expense involved in hastening to amend that 1951 legislation to restore the principle of public rights. The time is overripe for the provincial government to produce a policy for immediate development of public lands remaining and a long-term programme for purchase or expropriation.
>
> It was the government's lawyers who took the beaches case to the Supreme Court and lost. They argued for the primacy of the public's right. Their political masters will have to act now.

She raises a valid point that the government took it to the Supreme Court and now it must live up to that commitment.

I can say this much, Mr. Speaker, when the heat was on in that particular area the struggle was called the Battle of Ridgeway.

If we went down into the entrance of the main building here we would see a bronze plaque, to the right going out to the door, which says "The Battle of Lang Ridge." That was the battle of the Fenian raids back in 1866. But in this very particular instance, the battle of beaches was called the Battle of Ridgeway and the Battle of the Beaches." And it is going to continue until the government moves in some direction to guarantee that the public would have access to the shoreline along the Great Lakes system.

I would also like to see the government perhaps bring in some legislation to remove any fences along the lakeshore. Now, I can see with this decision of the Supreme Court of Canada fences are going to go up, denying the public their rights. I suppose if you read into the reasons for the decision of the Supreme Court, it was based upon the Limitations Act. If I can put it in layman's terms this means that if they can show just cause that they have had title to the property for a number of—what 60?—years, then the decision through the courts through the Quieting Titles Act, is that the property can be deeded to them or given to them through that statute.

I just wish I was one of those persons appearing before the Supreme Court here in Ontario or even appearing before any of the courts. In this particular instance this group of Americans by all intentions have stolen the property from the people of Ontario. In 1942 a bylaw was moved or presented in the former county of Welland to amend the road allowance. I know these Americans had built upon the original road allowance, and the council had directed them to tear the building down or remove the building. So in 1942 they came back and there was a compromise given by Welland county council that they would give their portion of the land next to the road allowance in lieu of the land taken by them for constructing the road allowance.

I suppose if we look at this present decision of the Supreme Court of Canada, it means that by altering that road now the party can erect fences on both sides of that property. I am sure there is still the possibility that one side still remains as Crown lands, but by relocating this road it will allow them to erect fences denying the public access. The minute the fences go up, I suppose erected along the lakeshore, the property owners can come back with, "Well we have had title to it under the Limitations Act and we will apply to the courts for that final decision." As the fences go up it's sure the public is denied their rights and their access to the beaches.

In Bertie township at the present time, or I should say in the town of Fort Erie, there are about four road allowances available now for the public—a population of about 20,000 that goes up to about 60,000 in the summertime. I guess it figures out to about one-100th of an inch per person. Now that's how serious the problem is along the shores of Lake Erie and I think the government must act now and bring in the proper legislation to control it for posterity's sake, so that the land will remain as Crown lands.

Mr. Speaker: The hon. member for Victoria-Haliburton.

Mr. R. G. Hodgson (Victoria-Haliburton): Mr. Speaker, may I first of all commend the member for Welland South who has brought in this bill to try to provide in this discussion some basis for an Act that would correct some of the problems that exist. However, it is a very complex and complicated area of law which has not, I suppose, been entirely settled as yet. The bill provides for a uniform interpretation of deeds of property bounded by navigable waters so that the high-water mark of the shoreline will be the property boundary of the private property.

According to the bill, the high-water mark shall mean the level at which the water, in a navigable body of water, has been held for a period of time sufficient to leave a mark on the bank. This is an area that is very hard to determine, because you have high-water floods and low water for periods of time that leaves marks. How to determine the right mark then becomes a problem.

The term "bed" in the Act refers to the land under the waterline below the high-water mark and all other land. The property line of the private property owner shall be the high-water mark of such a navigable body of water. Presumably, the intent of this legislation is to stabilize or to simplify a very complex legal matter involving those cases of law, or potential cases, in which the ownership of the land below the high-water mark has not been clearly established.

However, an approach of simplicity will not satisfactorily resolve a matter of such deep complexity. Such a simple approach raises a host of questions which are left unanswered by the bill.

These questions include: What are to be the determining features, or criteria, for establishing a high-water mark? What

method will be established to determine the high-water mark assuming there are clearly defined criteria such as contours of land, the positioning of the sands, and whether trees are above the high-water mark? What provisions are there in the Act to permit the owner of the private property to appeal the decision of the surveyor general? Or, failing that, of the Minister of Natural Resources?

How does this bill affect the 66-ft road allowance using the high-water mark defined in the bill if the high-water mark is higher than the road allowance—that is, if the 66-ft road allowance is the existing high-water mark? What effect is this Act going to have on existing private property lines? How does this legislation relate to the recent decision involving the case mentioned by the member for Welland South, the Stockton-Walker case in the Supreme Court of Canada? Many other questions could be raised by this bill.

The principle of the bill appears fine in theory but in looking through its application the implications are rather frightening. For example, as set out presently the bill does not clearly establish the high-water mark. That is, the bill does not appear to recognize the natural cycles of ebb and flow of water.

Let me be more precise. In the case of Wasaga Beach, over the years the people have been able to drive their cars or walk up to one-eighth of a mile from the steps of the older cottages established after World War II—along the beach out to where the lapping waters stop. However, in 1952 and also in 1972 I believe, the high-water mark which would be established under this bill would be the level at which the water reached the doorsteps of these older cottages. That would mean that some of the previously held land by a private owner would now be subject to Crown ownership.

We are seeking in this situation that the type of property being considered is identical to the properties involved in the Stockton-Walker case. The Supreme Court of Canada recently held in a judgement involving that case that the low-water mark represented the boundary line of the private property. In essence, the rights of the two owners toward their land extended to the water's edge.

The thrust of this bill would tend to reverse the principle of this law in an indirect sense by usage and by the Supreme Court of Canada's decision. People who own cottages or recreational property would assume that their property rights extended to the water's edge. Now we have the situation in which the precise opposite would be occurring. The land would be taken away without any due compensation.

It is very similar to a situation where, for example, the speed limit is changed from 35 miles per hour to 25 miles per hour. In other words, you get into the habit of changing the rules in the middle of the ball game.

What is wrong with this bill is that it does not clearly establish to me, at least, what you mean by high-water mark. How do you arrive at the high-water mark? In what year do you measure it? Is it to be measured over a 10-year cycle, as it has occurred in previous experiences we've had with water levels in the Great Lakes system?

Presumably the surveyor general would send out field staff to take evidence or he would use some sort of committee mechanism to arrive at what would be the properly defined high-water mark. After gathering sufficient data, the surveyor general would recommend to the Minister of Natural Resources that a certain water mark be established as a high-water mark. But then, if one reads the legislation clearly it states that the Minister of Natural Resources "may," and then it proceeds upon the recommendation of the surveyor general.

In other words, the minister "may" recommend a certain water mark in some cases, but not in others. It would seem to me that the word "may" suggests that a rather confusing set of standards would be in operation.

Perhaps the hon. member meant to use the word "shall". Mr. Speaker, I would submit that the Beds of Navigable Waters Amendment Act is basically bad law, philosophically, as well as bad law arbitrarily in the unethical sense. It would appear to me that the law is a harsh one, and that there is no real sound appeal procedure in which representation could be made by various owners of property affected by this act.

It is bad law in one sense because it relies on purely a technical aspect determining the high-water mark. Even then the high-water mark, at least to me, appears to be a floating high-water mark.

There are no real rights of redress under this legislation. Therefore it is bad law on that count as well. I would suggest, Mr. Speaker, that this legislation is presented on a piecemeal and ad hoc basis. It leaves unknown how many properties would be affected by this type of law, and yet I can sympathize with the hon. member trying to deal with the properties on the Great Lakes.

But the basic law should apply to the whole province and we have different situations throughout Ontario. In some instances there is joint jurisdiction between the federal and provincial governments and in others there is purely provincial jurisdiction. And then there is the situation that exists on the Great Lakes. I suggest the government does need to deal with this situation, but I don't think his is the ideal type of legislation to do it under, without running into difficulty with some of the points that I have raised. Thank you very much.

Mr. Speaker: The hon. member for Thunder Bay.

Mr. J. E. Stokes (Thunder Bay): Thank you, Mr. Speaker. I think that it is important that we are given an opportunity from time to time to discuss matters such as this in the Legislature. It is just a shame that there aren't more cabinet ministers here to lend their voices to the kinds of things that are being said to resolve some of the long-standing problems dealing with ownership of land, and the rights of the private individual, as opposed to the rights of the public in general.

I want to commend the member for having introduced this bill because it is good for purposes of discussion, although I haven't heard anything from the present Minister of Natural Resources (Mr. Bernier) who is responsible for the administration of Crown land and for providing adequate recreational land for the people in the Province of Ontario. And I don't hear anything from the resources policy field about how they would come to grips with such a problem.

The hon. member for Victoria-Haliburton has stated that it is a very complex and difficult problem. Yet, in spite of all of the promises that we have had, in spite of all the detailed research that has gone into a problem of such long standing, we have nothing from the government to indicate in any way, shape or form that it is willing to come to grips with such an important matter.

The member who introduced the bill is quite right when he says there are far too many descriptions dealing with the riparian rights of people, whether under the Beds of Navigable Waters Act, the Crown Lands Act or the Limitations Act, or any other act for that matter.

The amount of Crown land and choice recreational land that has been alienated from the Crown and lost for use to the people of the Province of Ontario for recreational purposes, is of such a magnitude that it would cost us literally hundreds of millions of dollars to repatriate.

I am not suggesting that we should go out and just expropriate without any consideration for those who have in their deeds legal tenure to the land. They have a right to expect that they will continue to have tenure to the land unless they are adequately compensated for it. I think there is a great need for clarification because prior to 1951, it was generally accepted in the Province of Ontario that it was the low-water mark that would be the boundary in any surveys or descriptions where water was to form one or more of the boundaries of a parcel of land. Then this same government, in their wisdom, changed that to say that it would be the high-water mark.

This met with a good deal of favour with a good many people across the province who are as concerned as the member who introduced this bill today, representing a good many cottage owners along the shores of Lake Erie, and indeed the rights of the public to have adequate access to a sufficient amount of recreational land to satisfy their needs for an outdoor experience. Then, without any fanfare the government reversed themselves again and said, "No, we'll restore it to the former rules of the game and it will be the low-water mark." So we are right back where we started.

The member for Victoria-Haliburton has admonished the member who introduced this bill. He says that you can't change the rules of the game in mid-stream.

Mr. Haggerty: They have been changed three times already.

Mr. Stokes: They have already been changed three times and I don't see any reason why they couldn't be changed again to suit the needs of the majority of the people in the Province of Ontario.

I can't heartily agree with the member who introduced this bill. He sort of slaps the wrist of the judge who made the decision, he slaps the wrist of the Court of Appeal that upheld the decision, and he also admonished the Supreme Court that reaffirmed both former decisions. Having read the Court of Appeal ruling re the Queen and the right of Ontario and—

Mr. Haggerty: We'll have to live it—

Mr. Stokes: —Walker, from my limited knowledge of legal matters, I would have to agree with the Court of Appeal which says in Ontario the common-law rule placing the

boundary between land and water at the water's lowest mark has been continuously in effect except for a limited period of time when the Beds of Navigable Waters Act was amended. The amendment said a Crown patent which indicates one of the boundaries of the land granted to be a boundary of water, establishes that boundary at the water's edge "and not upon any bank or high-water mark, unless the grant reserves by description or otherwise a space between the land granted and the water boundary or unless the boundaries of the lot can be so clearly delineated by reference to an original plan of survey as clearly to accept or reserve to the Crown a space between the land granted and the water's edge."

So it's quite clear in the Beds of Navigable Waters Act, and obviously it was quite clear in the deeds that were held, that the judge was, indeed, on firm ground and made the right decision. So we don't admonish the courts. They were going on the basis of the law as it exists at the present time and as it existed when the people got legal tenure to the land. So if it wants to see that justice is done on behalf of all of the people of the Province of Ontario, it's incumbent upon this government to change the Act.

Now, what the government changes it to—whether it be the high-water mark or some other arbitrary line—is something again. I can quite clearly see that it is going to create a lot of problems if the government suggests that it is the high-water mark, because unless it spells out quite clearly and unequivocally that it is the high-water mark as established by the natural ebbs and flows or the cyclical water levels that do appear from time to time, as witnessed in 1973 on the lower Great Lakes, that's one thing. It it is suggested that it is the high-water mark as a result of man-made fluctuations in water levels, that's something else again.

I want to remind the members who are here, Mr. Speaker, and the member who introduced the bill, that we have a situation up on Lake Nipigon where the water levels fluctuate quite drastically as a result of the manipulation of those water levels by Ontario Hydro in its quest for generating of hydraulically-generated electricity.

Of necessity, it has to store water from time to time because they don't require a peak load. At other times, when there is limited precipitation, it has to allow the escape of ever-increasing amounts of water to satisfy their generating needs.

As a result, there are drastic variations, even to the extent that there is massive erosion on the west side of Lake Nipigon. In the last 20 to 30 years it has lost over 100 feet of bank. If it wasn't for the fact that we were able to persuade Ontario Hydro to build a breakwater to stop the erosion, an entire community could have found itself ending up surrounded by the waters of Lake Nipigon.

Mr. Speaker: The hon. member's time has expired.

Mr. Stokes: Well, we don't have a second speaker, so if you want me to sit down now, that's fine; if you want me to take—

Mr. Speaker: Well the hon. member is entitled to his 10 minutes, which has expired.

Mr. Stokes: Well, I just want to say, then, Mr. Speaker. that I want to commend the member for having introduced the amendment. I don't think the amendment, as it is presently constituted, will satisfy the needs of the people of the Province of Ontario. I think the matter is much more complex than that. But I think that he has provided us with a basis for discussion and I think that it is incumbent upon the Ministry of Natural Resources to set up a committee of some sort of very knowledgeable people having regard for what has gone on before, giving the people of the Province of Ontario an opportunity to express their views. After this has been done in a democratic fashion, I think they should bring in an amendment to the Act that is much closer to meeting the needs of the people than this Act does at the present time.

Mr. Speaker: The hon. member for Huron.

Mr. J. Riddell (Huron): Thank you, Mr. Speaker. I rise to support my colleague in the amendments which he proposes to the Beds of Navigable Waters Act. The issue of the public's rights along Ontario's lake and river fronts is an issue of considerable public concern.

I can recall just as recently as last year a dispute over the ownership of a beach at Grand Bend, which you recognize, Mr. Speaker, as being one of the more popular resort areas in Ontario. I suppose this dispute was the result of the vagueness of the bill as it now stands. The person who owned a restaurant on the beach maintained they owned the beach right to the water's edge. They constructed a fence which denied the public access to that beach and, of course,

the fence was taken down and reconstructed. I'm not too sure that the dispute has ever been settled yet.

Now, we contend that the government of Ontario must take the step to protect for public use all lake and river front areas.

It is very distressing when one reads of situations such as that of February, 1974, when the Supreme Court of Canada sustained the claim of four Buffalo area residents that they owned the beach in front of their Lake Erie-Thunder Bay summer homes to the waterline.

I was interested in the reading of this case, where the justices of Canada's highest court unanimously rejected an appeal from the Province of Ontario, whose attorneys argued that for at least 40 years Ontario has insisted that beaches remain public on Crown lands converted to private use.

But lawyers for the Thunder Bay property owners maintained that their clients enjoyed a special distinction. Their land was originally given by a grateful British government to veterans who had served the Crown in Canada's colonial wars, principally the war of 1812.

It would appear to me that the flimsiest excuses can be used to retain the ownership of beaches to the waterline. I suppose it's again due to the vagueness of the bill as it is presently written.

What is at issue is the fact that the Ontario public is being denied access along much of Ontario's coastline. What has come into conflict is whether the rights of the public take precedence over the assumptions of lakefront property owners that they are given title to the water's edge.

Canada's early pioneers always maintained the right of public access to the beach and that it is the high-water mark which delineates the extent of the public domain.

We would agree with the hon. member for Victoria-Haliburton that section 3 of the bill should read:

> The Minister of Natural Resources shall, upon the recommendation of the surveyor general, fix the high-water mark of any navigable body of water, or any part thereof, and his decision shall be final and conclusive.

I'm not too sure it's all that complex a problem. The hon. member talked about the floating water levels. Wouldn't it be simple to establish a landmark for the high-water mark at that particular cycle when we were at the high-water level?

Mr. Haggerty: Like right now.

Mr. Riddell: Like right now, for instance.

Mr. Haggerty: It's right into the sand dunes.

Mr. Riddell: This then would be the benchmark for the high-water level.

Mr. Stokes: What about when it's in the living room?

Mr. Riddell: Well, then, that would be time to move the cottage back a little.

It is therefore surprising when one reads that our judiciary should decide in favour of American traditions. The legislation must be amended so as to confirm that the beaches are public domain, as was the situation between 1940 and 1951.

In 1951, however, the provincial government amended the Beds of Navigable Waters Act to revoke the sections of the 1940 Act, which made the high-water mark the boundary line for lakefront property owners. The public had now been made trespassers on land which was formerly held in common.

There have been many cases of legislation which has been passed in other parts of the world and may be applied to the situation in southern Ontario. The Danish Conservation Act of 1969 was enacted with the dual purpose of protecting the nature and landscape values of Denmark, and affording the population the widest opportunity to enjoy these values.

Of particular interest in this case is that the definition of "beach" refers to an area where there is no continuous turf or any other continuous land vegetation, rather than defining it in terms of banks or the posing of water at a point in time.

What is of importance in the above example is that it indicates that valid possibilities exist through legislation as an alternative to the reliance of the government of Ontario on case law—its case law with its uncertain interpretations.

Where the government is willing to act, then public access to the beaches can be secured. In order for the citizens of Ontario to regain what has been lost to them since 1951, the Beds of Navigable Waters Act must be amended to confirm the high-water mark as the limit of public domain. Thank you.

Mr. Speaker: The member for Simcoe East.

Mr. G. E. Smith (Simcoe East): Mr. Speaker, I rise to speak on this bill and I might say I am well aware of the problem the member who introduced the bill has in his constituency, particularly in the Fort Erie location.

Certainly in my area there isn't quite the same problem. I am told by some of the lawyers in my area that most legal descriptions, as far as waterfront property is concerned, describe so many feet starting at a point to the water's edge. I suppose the normal fluctuation of the water in areas like Lake Simcoe and Lake Couchiching doesn't particularly alter that much. However, as the member for Thunder Bay pointed out there are some extenuating circumstances caused by man-made conditions.

We have on the Trent-Severn system a series of lakes which act as reservoirs for the storage of water for the Hydro system throughout the province. I know of at least one lake reservoir which fluctuates 22 ft in the season and certainly it would be a rather difficult situation to try to establish a high-water mark on a lake such as that.

There is certainly a need to describe or give a legal description as to what is a common boundary along the water's edge. We have some really old deeds registered in our area which indicate that the property owner owns the land under the water for several feet out. This has caused some real problems for the Ministry of Natural Resources which is attempting to preserve some of the spawning beds and the property and the development which is so essential to the continuing preservation of wildlife and fish in the area. As I say, there is certainly a real need to define just the boundary ends.

This bill, however, does leave unknown many properties which would be affected by this type of law. I feel, too, there should be a study made, in the broad sense throughout the province, as to how it might satisfy all the needs of all the property owners in the Province of Ontario.

What we are trying to do in this legislation is resolve a dilemma between the use and accessibility of public beach property and the concept of private property ownership. Perhaps this would resolve the problem in the area of the member for Welland South but, I do not feel it would serve any useful purpose in mine and consequently there is need for a broad study.

The member for Simcoe Centre, in whose constituency Wasaga Beach lies, tells me they have had no real problem in that area under the present legislation and under the present definition. However, I can see there could be, as the member for Victoria-Haliburton mentioned, if this was amended. It could serve some real hardships on the public of Ontario who own property in that particular area.

Mr. Speaker, in conclusion, may I say I do feel there is a broader need for a definition. However, before we go into legislation, there should certainly be a method of appeal to any decisions that might be taken, some method indicating guidelines so that the problems that arise in my area, by man-made fluctuations, are compensated for and taken into consideration.

I believe that the bill we are considering today does not satisfy all the needs of all the people in the Province of Ontario. Consequently, I cannot support it. But I would urge that the Minister of Natural Resources set up a committee to study the problem and to bring in some concrete recommendations after receiving public input.

Mr. Speaker: Does any other hon. member wish to enter this debate? If not, I declare the private members' hour concluded.

It being 6 o'clock, p.m., the House took recess.

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No. 41



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LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, MAY 6, 1974

The House resumed at 8 o'clock, p.m.

Clerk of the House: The sixth order, resuming the adjourned debate on the motion for second reading of Bill 25, An Act to impose a Tax on Speculative Profits resulting from the Disposition of Land.

LAND SPECULATION TAX ACT
(*concluded*)

Mr. Speaker: The member for Ottawa Centre has the floor.

Mr. M. Cassidy (Ottawa Centre): Thank you, Mr. Speaker. The minister and I have just been having a pleasant chat about the pleasures of boating in and around Toronto Island. It's a pity I now have to shift gears, so to speak, and tell him that we may agree about boating and Toronto Island, but we do rather severely disagree about this particular bill and the way in which it has been put forward.

An hon. member: Get things back on the rails.

Mr. Cassidy: That's right. The Speaker may recall before the break I was suggesting that the inconsistencies of the Liberal Party on this particular bill, as on so many other issues, are deplorable.

Mr. R. F. Ruston (Essex-Kent): The "New Capitalistic Party." I heard some of the members talking about it the other day.

Mr. Cassidy: No, as a matter of fact, some of the members may not remember that during the course of the Throne debate, Mr. Speaker, on behalf of the NDP, I suggested to the minister very strongly and to the government as a whole that an effective tax on speculative gains ought to be introduced. We suggested that—

Mr. Ruston: Why doesn't the member say he wants the government to own all the land?

Mr. Speaker: Order, please.

Mr. Cassidy: Well, let's talk about that. I will come to that in a minute. I am damn sure that the Liberal Party isn't going to say that. I am damn sure that they are not because they have strayed so far to the right of even this government.

Mr. Speaker: Order, please. I suggest the language is somewhat unparliamentary.

Mr. Cassidy: What's that?

Mr. Speaker: I suggest the language is somewhat unparliamentary. We have young people present.

Mr. Cassidy: Were the Liberals being unparliamentary?

Hon. A. K. Meen (Minister of Revenue): No, the member for Ottawa Centre was.

Mr. Cassidy: Oh, I beg the hon. member's pardon. All right, Mr. Speaker, if I can return to the government itself—

Mr. P. D. Lawlor (Lakeshore): In Fowler's English, proper English, familiar quotations, the term is used all the time now.

Mr. Cassidy: That's right.

Mr. Lawlor: It has become accepted.

Mr. Cassidy: I will come to the question of public land development Mr. Speaker, because that is one of the only ways by which an effective answer can be found to the problems we have had of escalating land prices around our major cities right now.

Interjections by hon. members.

Mr. Cassidy: But I wanted to suggest to the government, through the Ministry of Government Services and the Chairman of Management Board (Mr. Winkler) that the government is clearly abandoning the blueprint that was given to it by Mr. Comay in his report which was handed down last September or last August. Maybe that's one of the reasons that Mr. Comay has deserted the ship, because whatever wisdom he had to bring has now been rejected and the government has moved into what looks like a series of ad hoc policies.

Ministers are saying that if this particular tax doesn't work, they will try something tougher. The government is sort of backing into an interference with the private land market, not knowing exactly what it's going to do, not having any confidence that it ought to be doing it, not having any knowledge about the universe into which it's venturing, and anxious, it seems to me, to do the least possible to interfere with its land-developing friends.

It's sort of a typical product of the Conservatives, a tax which is flashy but a tax which is an ineffective measure because, quite frankly, the Tories don't believe in this particular measure. It's hard to see how the measure can be effective if it only touches two or three or five per cent of the land transactions which are taking place in the province during the course of a particular year. It's hard to see how the tax can be effective when it has so many loopholes that are built into it, as a number of members of my party have already indicated. It's hard to see how the tax can be effective when there are enormous powers of exemption which have been built in and given to the minister.

It's hard to see how you can curb a situation, how you can come to grips with a situation—we have seen property doubling in value every three or four years under the Conservative government—by taking one date and saying that as of this date, any gains over and above the ludicrous level that prevailed on April 9 may be taxed at a rate of 50 per cent or greater if they fit into certain narrowly defined categories.

There were surely enough people with legal training in the government to have told the Minister of Revenue and the Treasurer that it is customary for people in this particular game to use good tax advice in order to quite legally avoid the intentions of the ministry. And there were people, in fact, who had experience practising that, as I'm sure there were people in the Liberal caucus who have had experience in advising clients about the legal ways in which they can avoid taxes and order their affairs in a way that will incur the least possible tax.

When you cast your net with so many holes, you will get very few fish. And that is what has happened in this particular case.

Now, it seems to me that on top of all the other loopholes which have been described, there are a couple that ought to be homed in on. One is the 10 per cent rule. This rule says that you can add to your basic cost in computing the speculative gain on land, your net cost of maintenance up to 10 per cent a year. Now, I assume that the costs of financing are included in the net cost of maintenance. Is that correct?

Hon. Mr. Meen: Yes.

Mr. Cassidy: That is correct, all right. That means, in other words, that a speculator can buy property, and the cost of holding it—the 10 per cent cost of the mortgage on that property—will be allowable to that speculator over the period of time that he has it, provided that he borrows the money in order to buy the property. Now, if he happens to have a property with some income attached to it, the income will probably cover the cost of taxes, maintenance, repairs, fuel and that kind of thing. The mortgage on his speculative investment will be allowable as far as the ministry is concerned. And when he gets around to turn around and sell it—

Hon. Mr. Meen: It's all part of that expense.

Mr. Cassidy: It's all part of that expense?

Hon. Mr. Meen: He has income to start.

Mr. Cassidy: He has income, all right. I'll put those figures in very specifically. His costs amount to 15 per cent of the capital value of the property. His revenues amount to five per cent and the remainder is 10 per cent. Putting it another way, the mortgage interest is equal to about 10 per cent and his costs of about five per cent are covered off by his revenues. Would the minister agree with that?

Hon. Mr. Meen: Well, that's a hypothetical case. There may well be variations one way or the other.

Mr. Cassidy: Oh sure, it's hypothetical. The point that I'm making, though, is that whether the net cost to the speculator of hanging on to the property is two per cent or 10 per cent a year, it will be covered.

Now, let's take the example of a speculator who wants to invest all cash in a particular property, and who, therefore, is financing himself rather than borrowing the money. As I understand it, his net maintenance cost will tend to be lower because he cannot credit to himself the cost of borrowing the money. Therefore, he will be liable to a higher tax rate unless he turns around and mortgages the property. There will therefore be an incentive to maximize

their expenses, with people who are speculative investors if they feel they are eventually going to be liable to the tax. And they will do so by borrowing the money. Therefore, speculators will tend to attract more money into that particular end of the market, rather than putting it out on their own account.

Now, that is hypothetical as well, as the minister will undoubtedly point out. But it's clear that so long as the costs of financing speculative investments are allowable and deductible before this 50 per cent tax is levied, then the tax is not going to have a heck of a lot of impact. It means that anybody who buys a speculative property is, at the very least, in a no-loss situation. They really can't lose because they are allowed to build that 10 per cent a year, holding their maintenance costs into the price of the property. The government is accepting that the price of property is going to escalate by 10 per cent a year.

Now let's take this on a bit. We've had a property for two or three years, the costs are going up a bit, and the speculator decides that he'd better get rid of it, but he wants to keep control of it for an eventual gain. He makes a non-arm's-length sale after three years to somebody with whom he is in a buddy-buddy relationship, and the price at which he sells that property is, for the sake of argument, 130 per cent of the acquisition cost. His net maintenance costs are 10 per cent a year. There is no tax to be paid and the new owner then holds the property for another year or two.

In the case of the new owner, the acquisition cost was 130 per cent of the value at April 9, 1974. The allowable net maintenance cost for the new holder is therefore 13 per cent per annum of a value at April 9, 1974.

This kind of trading back and forth in a non-arm's-length kind of fashion can continue. As far as these fellows are concerned, if they are given good tax advice they probably can avoid any tax at all and ultimately can sell and make a significant profit. Maybe it is a bit less than before but it hasn't deterred them.

It certainly hasn't had the effect, which the budget statement has indicated, that this would be one of three important measures to stabilize land prices. What kind of stability is it when land prices under this Act are going to be permitted to go up by 10 per cent a year without being touched by the particular tax, even in those limited categories which are subject to the tax?

What kind of stabilization of prices is involved, Mr. Speaker, when a farmer who sells his farm to speculators or for development is allowed 10 per cent per year as long as the family holds on to the farm, and not against maintenance cost or anything like that but just simply because the land is being held in farm land? If you have land in the area around Toronto which is now valued at $3,000 or $5,000 an acre, that 10 per cent is a very substantial sum. Moreover, the net maintenance cost of that farm is quite likely to be substantial too.

Therefore, you could easily see the value of that farm going up by 12 or 15 per cent a year and not attracting a nickel of tax. If the purchaser ultimately develops the land and sells it in the form of homes rather than in this form of lots or raw land, then he too is able to escape the tax. It is simply a matter of stick-handling.

What this comes to then is this, that as far as the Tory government is concerned it has drawn up a set of rules which permits big developers, big farmers, people who have access to good tax advice and all of its friends to avoid, quite legally, the land speculation tax. The speculation tax then ultimately comes out only hitting the small fish. There have been some poignant pleas here about the small builder and about the widow with the fourplex and so on. I must say that I find it difficult to join myself to those particular pleas too fervently, because I think that the whole way which the tax is conceived is misbegotten. I think that either you have a tax which is universal or virtually universal or you act in other ways.

The fact that this tax is the only significant measure that we've seen from the government over the last six or eight months directed at solving housing problems in the province indicates to me that the government simply lacks credibility on the question of housing as a whole. The fact that the tax is being introduced as a solo measure rather than as one of a package of measures, including an effective programme of bringing public land to development in order to bring down the price of housing also tells me that the government lacks credibility as far as the questions of housing are really concerned.

Mr. Speaker, let me give you one other way in which the government is going to distort land development in the province in such a way as it will affect negatively our housing crisis, in other words, make the housing crisis worse rather than better. Some people have talked about the fact that the small builder may get shoved out of the

market. I don't know whether the minister is going to do something about that or not. If he does, given the construction of the tax as it stands, he is going to have to put yet another exemption into the tax. That is the way he is going to have to act, and it will make it even less effective than it is at present.

There is also a complete exemption on commercial and industrial property. Any land which is used for commercial or industrial purposes or any land which presumably is intended for commercial and industrial purposes is exempt from the tax. If I can set a hypothetical example again, I want to indicate to the minister that this will have the effect of shifting some land from residential uses into commercial and industrial uses.

I will take the example of land which was worth $50,000 an acre on April 9 and for which, for the sake of argument, the owner wishes to get $75,000 on April 9, 1975.

With the tax, if he can't wriggle out of it one way or another—and the loopholes are tremendous—one assumes he will put it on the market at $100,000 and acre; he will pay the tax and arrive at a net return of $75,000. If, on the other hand, there is a market around town for commercial property and commercial interests are willing to pay $80,000 an acre for that land, clearly he will say, "I'll sell it for commercial uses rather than for residential uses. My profit will be $30,000 because I am not taxed, rather than the $25,000 I would get after tax if the land was developed for residential purposes."

The effect will be that commercial and industrial land will be relatively cheap compared with residential land. Therefore, the law of economics being what it is, there will be some shift of property from the residential market into the commercial and industrial market.

Eventually an equilibrium will be reached. I don't want to give the minister a lecture in Economics 201 but the equilibrium position will be that more land will go into commercial and industrial purposes. The amount of land required for industrial purposes is relatively limited and we shouldn't be creating new industrial jobs at the rate we have been in the major urbanized areas where the housing crisis has been the worst. The demand for commercial uses, for shopping centres and that kind of thing is, I suppose, pretty tremendous. As far as I can see the construction of new shopping centres, of enormous new office buildings, of that kind of construction at a time of a raging housing crisis across the province — when there are tremendous shortages of building materials—is criminal.

Far from encouraging that kind of construction the government should be discouraging these less useful uses of capital, labour and materials in order to encourage residential construction.

Hon. Mr. Meen: Is the member not prepared to admit there can be a reasonable balance in certain communities between small industrial and commercial centres and residential communities in the planned community sense as we know it today? Therefore should there not be some incentive maybe to justify some commercial and industrial development along that line?

Mr. Cassidy: I don't think we need a particular incentive. It will follow the growth of population; in fact, it often leads the growth of population.

Hon. Mr. Meen: I think the member is suggesting there shouldn't be any and it should all be residential.

Mr. Cassidy: I am suggesting that what the minister's legislation is doing is to encourage commercial and industrial development at a time when, frankly, we don't need more new office buildings. The vacancy rate for offices in downtown Toronto is five or six or seven times the vacancy rate for apartments in Metro Toronto. What kind of values does that reflect? What kind of social priorities does that reflect?

If one wants an office one can march into an office anywhere in downtown Toronto for a competitive rent. But if one wants to get an apartment, on the other hand, one has a heck of a time because there are simply not enough apartments coming on to the market. Yet the bill, because of the exemptions built in for commercial and industrial property, has the effect of shifting some land from residential to commercial uses.

Mr. Speaker, the bill has also to be set against what the Conservative government has been doing in the field of housing policy. We have seen the record over the last year. There was a lot of talk at the creation of the Ministry of Housing, which was welcome. The discovery is now that the Ministry of Housing needs some powers; that is welcome, too, but the government should have found out about that before. At the same time there is a decline in starts in the major

urban areas; a decline in OHC activity; a rise in prices and a decline in activity as far as the HOME plan is concerned; promises of more activity to the level of 6,000 HOME lots this year are so little and so late and so small in relation to the entire housing market in the province as to be nugatory, to use the word of the member for Lakeshore.

There is a complete failure in the programme of integrated housing which was announced so proudly by the then Minister of Revenue (Mr. Grossman), who was also Minister of Housing, just over a year ago.

Now we are beginning to see the gradual abandonment of the Comay committee report in favour of a series of ad hoc policies. The rumours coming out of the department and the evident delays indicate quite clearly that the housing action programme is, to put it mildly, on rocky ground and is not working effectively up until now.

Mr. Speaker, I want to suggest to the minister a number of things that could have been done in the area specifically of taxation if the government wanted to make a difference. We suggest, in the first place, that it become part of a major thrust in the housing field.

Secondly, if there is going to be a speculation tax on housing it has got to apply to all the increases in land values—and the exemptions have either got to be nil, or they have to be very strictly defined. Some of my colleagues and myself had some dispute about the limit of the exemption on the principal residence. If there is to be any exemption at all from the speculative gains tax on land, that is the only exemption that should be allowed. I personally question quite seriously whether that exemption should apply to $200,000 homes up on the Old Post Rd or in Rockcliffe Park, or in the other so-called better residential areas. I don't see the need for any kind of exemption on that particular point.

On the other hand, if it is a worker, if it is a modest family home in the $20,000 or $30,000 range, and the government wishes to exempt those profits because of the fact that people who they sell those homes are normally moving to another, we would have no particular objectioin.

However, if one takes the exemptions the government has brought in and takes in the declared intention not to make a lot of money, but the declared intention to wipe out speculative gains, then it seems to me that the government has got to take away the exemption on the principal vacation property. It has got to look very seriously at the 10 acres surrounding the principal residence which is permitted as an exemption right now. It has got to tax every piece of land coming into development, whether it is by a big developer or a little developer or the builder around the corner.

It has got to get away from this business of permitting white painters and people in the renovation and rejuvenation market from being exempt if they do certain things and conform to the rules in certain ways. I find that a disastrous kind of proposal right there. It has got to do away with the exemption for commercial, industrial purposes; and it has got to come to grips with the question of exemptions.

I seriously question whether the exemption for financing costs ought to be permissible against this particular tax. In other words, if the government is going to have the tax, it has got to hurt so badly that people will want to put their land on the market because it will not be profitable or comfortable for them to continue to hold it unless they have a reasonable use other than speculation for continuing to hang on to that particular land.

If the government wants to make the tax work it has got to take out the series of exemptions which are in the back of the Act, which allow the minister to exempt almost any class, group or individual, or to rebate any tax if that idea crosses his mind. And then it might consider whether the 50 per cent rate is really adequate.

Now the minister is going to get up and say: "But you are going to bring the pace of development to a halt." And I suggest to the minister right away, because that is the kind of answer he is going to come up with, that that is nonsense.

Right now, according to the minister's figures, big developers who have a lot of land in and around the Toronto area, and who will be exempt from this new tax, should nevertheless be paying tax rates of around 60 per cent when it is computed right through the chain down to their shareholders. The minister knows as well as I do, that they pay far less than that and in many cases they pay no tax at all; but he can't have it both ways.

Either they pay a lot of tax right now and they are not deterred from developing the land, or they don't pay a lot of tax right now; in which case the kinds of figures that have been put into the budget are fraudulent and the claim that developers will have to pay 50 per cent tax on speculative gains is

equally fraudulent, because loopholes will be found around that tax in the same way as loopholes have been found around the capital gains tax and the tax on the sales of land as a business, which exists in the federal and provincial codes at the present moment.

At any rate, if these big corporations, currently paying around 60 per cent, according to the government, in profits taxes on sales of land, are developing the land at that tax rate, then to push them up to 70 or 75 per cent isn't going to make a hang of a lot of difference.

I would point out to the minister that companies like Markborough, McLaughlin, Canadian Equity, Bramalea, Monarch and Caledon Mountain, among others, have got tremendous holdings of land in and around Toronto right now and that these holdings will be entirely exempt from the tax that is proposed here.

If there is the difference in treatment between other builders and themselves, then they will simply start to ration these large landbanks for their own uses and bring them into development at a pace that suits the pace at which they can develop and build houses on their own hook, and not any faster. In a private enterprise system, no amount of controlling by the Minister of Housing (Mr. Handleman) is going to encourage them to do it any faster than they darn well please.

In that sense, the tax and the unequal treatment between the small builder and these big fellows is going to have the effect of discouraging rather than encouraging land to come to market. As the minister knows, if the big developers, like Markborough and so on—all the companies where there are Tory directors—if those big companies develop the land themselves, they don't pay the tax. I am suggesting that the equitable way to handle it is to ensure that everybody pays the tax. Then at that point you use your supply—

Hon. Mr. Meen: That's where we part company.

Mr. Cassidy: —techniques and your public ownership techniques in order to ensure that you are bringing enough land on to the market.

Mr. Speaker, I want to talk specifically about what we think ought to be done as well with a lot of this speculative land. There will be an incentive to some speculators to hold land until it can come into development in order to avoid this tax. The only way to get it out of their hands, and this is also within the discretion of the Minister of Revenue, is to ensure that they are paying a fair or even a punitive rate of property tax.

The deferment of the assessment on speculative land until 1976 or later by the ministry means that a lot of people are hanging on to land on which they pay very low rates of tax. There is no reason why that land couldn't be assessed at current market value, at which point the assessments would rise by five, 10, sometimes even 20 or 30 times. Then the cost of holding it would be such that you would see a freeing up of the land market and the land would come out into development rather than sitting in private hands. But right now we are effectively subsidizing people to hang on to land as a speculative investment, rather than ensuring the land is used for a productive purpose until it's time for a change in use.

I want to suggest to the minister as well—

Hon. Mr. Meen: Mr. Speaker, could I just ask, on a point of clarification, is the hon. member talking about serviced land that is ready for development—let's say, on which construction of a building could take place —or is he talking about raw land?

Mr. Cassidy: I'm talking about both. I'm talking about raw land which may be valued at five or 10 times its agricultural value but which is currently not assessed as such. I'm talking about serviced land which may also be assessed at a very high rate. If it's on the verge of coming to development, you may catch it in your assessment system; but up until that point, on the other hand, it may sit there with a very high speculative value and increase in value for several years and not be touched by property tax assessment. The deferment of the market value assessment programme has the effect of simply allowing speculators to sit with these privately-owned landbanks and continue to pay very low property taxes on them.

Hon. Mr. Meen: Well with respect, if I may be permitted to interject, to the hon. member for Ottawa Centre, Mr. Speaker, the deferment—

Mr. Speaker: Does the member for Ottawa Centre yield the floor?

Hon. Mr. Meen: —until 1976 was scarcely a matter related to speculative gain or anything of that sort or deferment of tax. It's simply related to other mechanical matters in getting the market value assessment com-

pleted. If the hon. member is talking about serviced lots, he may well be talking about a subject that is appropriate in the circumstances of this debate. But if he is talking about raw land for which there are so many speculative—if I can use that term in another context—factors involved between getting it from the raw land state to the serviced and buildable state, really he is suggesting that some authority, be it municipal or provincial, should interpose itself and impose a punitive tax, possibly in the interest of getting that land on the market for building purposes, when perhaps there may be all kinds of discretion intervening such as municipal planning boards and the like over which the owner could have no control.

Consequently that kind of tax might well be punitive where in other circumstances it might well be appropriate if the land is serviced and ready to go for building purposes. That is why I asked the hon. member if he was talking about serviced lots ready to go for building or about raw land. I think I can sympathize with his argument if he is talking about finished lots ready to go; but I think if he is talking about raw land he is really out in left field.

Mr. Cassidy: I really find this extraordinary, Mr. Speaker. I think it should go on the record—the solicitude that the minister has shown toward people who speculate in raw land. Even the Liberal Party seems to agree that the one group that they can identify as villains are the people who go and speculate in raw land which is not close to development, and drive the price up from $200 an acre to $1,000 or $2,000 to $5,000 an acre.

Yet, the minister is saying, "Oh, but look at the risk, look at the kinds of problems they bear. They should not be taxed at anything more than the original value." Is it seven years ago—1967—when there was last an attempt to provide a fix on the values of this land? The values of this raw land, in particular where the speculation has been the most intense, have gone up at a rate of two, three, five or 10 times the rate of growth of values in the property market generally. In other words, since 1967, if you want to take that particular year, the value of houses in Metro Toronto has perhaps grown by 1½ times; but the value of raw land in and around Metro Toronto has gone up by possibly 10 or 15 times. Yet the assessment will still reflect a value for that raw land that was proportionate to the value of houses at that particular time.

I am suggesting that speculators are getting a free ride. I am glad the minister feels the question of property taxation on serviced land about to come into development is worthy of attention by his assessors, but I cannot see him exempting speculators when there are several avenues by which you can get them.

After all, the purpose, I had understood, of this taxation was to get land out of the hands of speculators; to stop the speculation; to get land into development; to try to increase the flow into the pipeline rather than to decrease it; and to try to decrease the inordinate profits which had been made.

I want to suggest to both the Liberal Party which asked and to the government that they won't solve this problem about the allocation of our land in and around major cities by a speculation tax alone. The only way this is going to be solved is if the government starts to attack on the supply side to ensure that there is land for housing coming into development that provides housing at prices that people can afford. As the minister is aware, there were 10,000 or more people who sought houses in the Malvern development because they were reasonably priced.

If there is publicly owned land coming into production, with the economies of public land development and with the priorities of what the people of Metro Toronto or Ottawa or the other parts of the province need in terms of housing rather than what developers think they can get away with, then you are going to see a very substantial drop in the kind of inflationary fever we have seen in the housing market over the last few years.

If there was a good $22,000 house that was available in quantity in and around Toronto and Hamilton, then you would stop finding the numbers of people having to pay $40,000 and $50,000 and $60,000 for bungalows. You would find a very definite shift and you would find that the kind of fever that has hit the market would decrease. But this tax with all its loopholes is simply not going to have that effect.

In the NDP we have been saying for several years now that land in and around our major cities should be developed publicly; that it should be developed by leasehold; that the leasehold should give to people who acquire the leases and acquire the homes on the leased land the right to hold it in perpetuity as long as they and their descendants want to hold it but that it should not give to them the right to speculate in land.

When they wish to transfer ownership out of the family, it should be transferred back

through the government housing agency, and it should be done at a price which does not permit a speculation, but merely reflects any changes in building cost in the intervening years.

We have called our scheme the 'Crown Hold Scheme,' Mr. Speaker. And for the housing it would make available in large quantities, it would do away with the kind of speculative fever which has affected even people in their principal residences. This kind of public competition would have a very definite impact on the land market. It would mean that the speculative gains tax on land development could possibly even be done away with, or if it did exist, it would exist only to catch certain exceptional situations where the market got temporarily out of whack.

But I am suggesting that unless there is a fundamental reform like that in the land market, you might as well not try at all; that the government would be better advised within this measure to forget the pretence of doing anything, and continue in its rather sputtering fashion to bring up land supply policies. If the government were to increase the supply of land effectively in a major way and direct that far more housing was to be built for people on low and moderate incomes, such a policy would have a lot more impact on the supply and cost of housing than this particular tax. But this tax is so ineffective, and so loophole ridden, that we just say that it is better to do nothing than to go ahead with this kind of half-baked measure, and we will not accept it.

Mr. Speaker: The member for Lakeshore.

Order please. In order to keep the rotation a little more even, does the member for Huron-Bruce intend to speak?

Mr. M. Gaunt (Huron-Bruce): Yes. I have a few comments, if my friend for Lakeshore—

Mr. Lawlor: Nothing would give me greater pleasure than to listen to the hon. member for Huron-Bruce.

Mr. Gaunt: Thank you. My comments are going to be brief, and really I am going to address myself to one part of the bill which has been referred to on occasion. My colleague from Huron (Mr. Riddell) referred to it this afternoon. Other speakers have referred to it. But I want to address myself to the matter and indicate to the minister several points of concern with respect to farmers and how they are being treated under the terms of this bill.

First of all, the bill in relation to farmers and farmland worries me somewhat. I think that the exemption provided when a farm is sold from father to son, or within the family, should be extended to include any sale of a farm where that farm is going to remain in food production. Any sale at arm's length that takes place to anyone should be exempt from this tax. As I understand it, if a neighbour not related to the vendor purchased the farm, the tax would apply, and in the case of a circumstance where there was some difficulty in determining the amount of the tax, then there would, in effect, be a cloud on that title.

Let's take the example of a farmer applying to get a farm credit corporation mortgage. The cloud remains on the farm because of the fact that the amount of the tax has not been determined. We all know that these things can get rather complicated. Let's presume that the matter remains unresolved for a period of year. This would mean that the purchaser of that farm, not being a member of the family, would be held up in obtaining funds from the farm credit corporation for a year, possibly less or possibly more, depending on how quickly the matter was dealt with. The farm credit corporation would not process a loan until the cloud on that title was lifted, and the cloud on the title could not be lifted until the tax was paid. So there could be—

Hon. Mr. Meen: Or security given.

Mr. Gaunt: Or security given. But the fact is that in most cases where a farmer is purchasing, he does not have enough security to avoid taking in the new land purchased and using it as security. So in most cases, I say to the minister, the farm that was purchased would have to be used as security—and it could not be used as security until this tax was paid and the matter cleared. That's the way I read the terms of the bill.

I think that the whole matter of obtaining mortgages under the Farm Credit Corp. programme would be thrown into chaos. Dear only knows, we have enough trouble now getting these loans processed. Often it takes up to a year to get them processed in the normal course. And when I say in the normal course, if there are any out of the way problems at all, then the loan application gets bogged down in the legalese. It's thrown back and forth between the Farm Credit lawyer, the lawyer for the vendor and the lawyer for the purchaser, and the

first thing you know, 12 months have gone by.

I say to the minister that with this provision, it would possibly throw the whole matter into a two-year period, and I would say that in that circumstance, it would just be impossible. All right. Let me move to my other argument. Before I do, I want to say to the minister that he should consider that, because that is a practical problem.

I want to move now to the philosophical base for my argument. I have been one of those people who have said time and again that I believe that good farmland, good class 1 and 2 farmland, should be preserved for agricultural production. I believe that one of the ways to do that is through a system of taxation. I say one of the ways. I think it is just one of the tools. I think it is one of several tools that can be used in order to do that. I suggest to the minister that this bill will not even do that.

I think that where farmland is being sold under any circumstance to anyone, and where it's to remain in agricultural production, it should be exempt from this particular tax, and I am going to propose or one of my colleagues is going to propose an amendment to that effect.

There can be an argument made also for the fact that farmers over the past number of years have been the forgotten lot in our society and have been living on very low incomes. We have all talked about it. At least the farm members have talked about it in this House on many occasions. It's true. The fact is that this last year has seen a shift in that position and the farmers have had better times in the last 12 months.

An hon. member: Since Whelan became Minister of Agriculture.

Mr. R. F. Nixon (Leader of the Opposition): Whelan did it, yes. Best Agriculture Minister we have ever had.

Mr. Gaunt: That's true. There is no question about it.

Mr. R. F. Nixon: Mr. Whelan, in the whole of southwestern Ontario, right across Canada—

Mr. Gaunt: He is very popular and he will be the cabinet minister in most demand when we go into a federal election this week.

Mr. R. F. Nixon: Tomorrow.

Mr. Gaunt: But in any case, an argument can be made that the only pension fund a farmer was able to accumulate during those years of very low income was the pension related to the appreciation of his land. That's true; there's no question about it. Many farmers in this province, and indeed in this country, have stayed on the farm in the thought that when they sell their land, they will be able to get a relatively good chunk of money out of it, and that in effect would be their pension for farming all of those years on a very low income.

This tax is going to remove that option from them. They are not going to be able to do that under the terms of this bill.

Mr. Lawlor: And therefore the Liberals are going to vote against it. Is that what the hon. member is saying.

Interjections by hon. members.

Mr. R. F. Nixon: The NDP are the people who are in favour of the profiteers and speculators. We are against them.

Mr. Cassidy: Every word the Liberals have said has been against the tax and yet they are going to vote for it.

Mr. R. F. Nixon: That's not true.

Mr. Cassidy: We've said to make an effective tax but not this nonsense.

Mr. R. F. Nixon: The NDP is in favour of buying out the land in the public interest. The member is a socialist. That's what he should be in favour of. That's the only reason he's here. Sometimes it is hard to differentiate that.

An hon. member: The speculators will be glad to hear about that.

Mr. Speaker: Order. Meanwhile, back to the bill.

Mr. R. F. Nixon: Yes, that's the stuff, Mr. Speaker. Meanwhile back to the bill.

Mr. Gaunt: The fact is I think the minister should also consider this. I'm drawn to that argument that a farmer who has farmed more than 10 years is in no way a speculator, no matter for what purpose he sells his land in the end—

Mr. Cassidy: Even if he sells out for $1 million?

Mr. Gaunt: You tell me a farmer that sold out for $1 million. Name me one—name me a farmer in this province who has sold out for $1 million in the last year—I'd like to hear about it.

An hon. member: Put up or shut up.

An hon. member: Come on, you socialist farmers.

Mr. Gaunt: I must say, Mr. Speaker, that I am drawn to the argument that if a farmer has been farming for 10 years—

An hon. member: Most have.

Mr. Gaunt: —and he happens to reside close to a rapidly developing area and his land is required for residential or commercial or industrial purposes and it is obvious that it cannot be saved for food production—I'm of the view that when that farmer sells his land for that purpose, having farmed it for 40 years, he shouldn't be subject to the tax.

Mr. Cassidy: And the member supports the principles of the tax.

Mr. Gaunt: Mr. Speaker, I would urge the minister to consider those points because I think—

An hon. member: He's already done that.

Mr. Gaunt: —they are important from the point of view of farmers and they are important from the point of view of food production and society generally. I would hope the minister—

Mr. Cassidy: What does this do about food production?

Mr. Gaunt: The member hasn't been listening.

Mr. Cassidy: I certainly have.

Mr. Gaunt: The problem is that he likes to talk more than he likes to listen.

Hon. Mr. Meen: Keeping farmers on the land, that's what he's talking about.

Mr. Cassidy: The member would put a high enough price on the land so that food won't be produced on the land.

Mr. Gaunt: There were two points that I made. The member for Ottawa Centre obviously doesn't farm much out on Toronto Island, because he doesn't understand these things.

An hon. member: Just fishing.

An hon. member: He's got a rice paddy out there.

An hon. member: He fishes a little.

Mr. Gaunt: So I urge the minister to consider those two points I have raised. I hope he can bring forward amendments. If he doesn't we are prepared—

Mr. R. F. Nixon: If he does we will support them too.

Mr. Cassidy: From his position in bed with the Liberals.

Mr. Speaker: The member for Lakeshore.

Mr. Lawlor: Mr. Speaker, I am very glad to be back in the House after my prolonged absence.

An hon. member: We are glad to have the member.

Mr. Lawlor: It seems to me almost a lifetime now I've existed in the nether regions of this building. I was growing pale with the pure lack of sunlight but now that I'm exposed fully to the lamplight in the chamber my spirits are beginning to be restored.

Hon. Mr. Meen: We thought he had lost his voice.

Mr. R. F. Nixon: It's a long time since we had a fully exposed NDP.

Mr. Lawlor: The minister knows, I think—I got at least a slight intimation of the effect of his tax upon the legal profession to start with, and upon the building and mortgage interests in the province, insurance companies, trust companies and what not. As far as the legal boys are concerned they are in a state of high tension. Never have I seen so schizophrenic a mood. They are like dancing on coals down there. If you could remove yourself from your office for just a few moments on any occasion of the day or night, as long as that registry office is open you will see lineups in every direction, particularly going into see Tommy Blacklock and a number of other people who have been deputized.

Nobody ever sees any of the minister's minions whom he was supposed to send down there to relieve the pressure and who, in his blurb to the profession, he said would be in ready abundance. Nobody sees these people. But the regular staff are using extremely dark, black pencils on the affidavits for some kind of approval; I couldn't read it the other day after being in three lineups and being frustrated every time. The affidavits were all ready, section 4 and the exempting provision within that section set forth. They were all around me, probably the most not-

able Conservatives one ever imagined, cursing the minister and his statute right down to the ground. They found the thing was so badly handled and so muddled at the present time as to bring to a standstill pretty well the whole network of property transactions in the province.

I think maybe a little of the repercussions have been visited upon his head. He must consider himself fortunate to sit in this chamber, isolated from the crowds of berating lawyers outside. They sound like harridans when one gets close enough to listen to them. The condition is created completely unnecessarily and without sufficient previsioning of the chaos that legislation, unless it's well set out and well done, visits upon the head of everyone.

The minister was in here this afternoon for a few moments, having flown back into the fray and found himself like Daniel in the heat of the furnace. He gallantly retired with the first bitter words uttered; he is no longer the formidable bastion of Conservatism, always biting back, but is more vulnerable now, gentler, as is the Treasurer (Mr. White) and unable to take the slings and arrows of this chamber; and so he withdrew. But the man, it seems to me, has a positive genius for mischief. I think there's a great deal of truth in that this is hastily devised; this legislation is taken out of thin air and, as the Scotsman said, out of the whole cloth. It's permeable legislation.

Let's take a few examples of the difficulties inherent in a bill of this kind without going into the intricacies which will be reserved for another occasion. By the way, the central principle that I personally find to be employed or operative within this legislation tonight—I think the principle of the bill is that it's so badly drafted. I think it's an aesthetic principle, in other words. As I read it, the thing is such a muddle that no one could possibly vote for it because one could never disinter exactly what it was seeking to do. Nor has the government over there, as the various ministers have expressed it, been able to do that. They've been at cross-purposes in their expressions as to what this thing means.

Take wording like "net maintenance cost." I think it's defined in (b) of 1 and there's a further definition of it in (j), also section 1. I think it has to be conceded it is extremely vague. No one would know whether the section covers such costs as interest or realty taxes and whether these can be deemed to be maintaining the property. The vacuity of the thing is astonishing on that one head alone.

In the area, secondly, of the deductible fee: Is this tax, if it's levied, deductible from the corporation or the individual income tax or not? Nobody seems to know conclusively Hints, gestures and surmises arising out of the budget statement by the Treasurer would perhaps indicate that it was but there is nothing in the legislation that so indicates, nor has the position emerged from the debate as it has thus far gone.

Take the area of farm classification. My good friend Clay Paterson, who is in the gallery this evening, was kind enough to supply me with certain documentation, which will be brought in to committee of the whole House to show that the definition with respect to farming is far from adequate. It doesn't even meet the nostrums of certain reports which came to the government and which might very well have been used as the foundation for the definition.

Take the business of the tourist establishment. What an incredible piece of work is that section. How is it possible, when directing one's attention to residential multi-family dwellings, to start off with something wholly different, namely tourist establishments?

What kind of tourist establishment is not established; no one has a clue. The budget statement seemed to think that pretty well across the board they were acceptable but, no, the legislation indicates the regulation is going to have to define this. But starting at a section with respect to tourist establishments it goes on to read, "Or for commercial or industrial purposes;" these are exemption sections. Getting into commercial and industrial, and saying they are going to be exempt, it suddenly switches in the middle of the sentence and says, "other than rental of apartment suites." Could the minister in his drafting not have gone to the length at least of placing these separate heads under separate heads? These things are quite distinct and distinguishable. They are important enough, God knows, in the economy for each to be taken out and segregated but, no, a great molten lump is created inside that section (d).

It goes on, "Other than the rental of apartment suites or residential accommodation for use as the principal residence of the lessee and if the designated land so disposed of"—I didn't know when I first read the section what the "and" referred to; whether it was the apartment units that had to have a 40 per cent valuation or ratio between

land and building; or whether it was the tourist establishment; or whether it was the commercial one; or whether it was the industrial; or what the devil it really was.

That's really wretched drafting and there is no necessity for it. The minister could have taken out that residential accommodation and defined it with greater precision than he has done at present. I am sure he doesn't mean that the little woman who, as has been indicated here before, invests whatever moneys came out of the will in a house in which she lives herself, is going to be hung up and subject to this tax.

What he is talking about are greater units, etc., on which there has been vast speculation largely proceeding from European interests—Swiss interests; Japanese interests to some extent; German interests. They are in not only the plazas and the malls but apartment buildings. I think the minister has some intent to put a brake on that but he has, as I say, buried it under the heading of a completely different subject matter, an index of the hurried and precipitate way in which this legislation was devised and thrown together. I use the word advisedly.

I had a chance at the dinner hour tonight to take a look at what my colleague from Riverdale had to say on this and he is surely right. On the business of the 60-40 ratio as to improvements, when one resells 40 per cent of the value at least must be in terms of the structure of the building. My Lord, the minister is going to have to have phalanxes of administrators to determine that, isn't he? Suppose a fellow comes up and the ministry people, who have some expertise in this through succession duties, say, "We think the building is worth $39.3." The fellow who has just completed the sale says: "Well, if that is the case I have got to take $53,000 worth of tax. Can't you jack it up by 0.8, let's say, and save me $50,000?"

What nonsense will go on here; what play back and forth. And the same thing with this 20 per cent. Where is there expertise in this world that is so scientific, or so exact, or so determined—in this ministry or anywhere for that matter—that it can come to any definite conclusion? Isn't the minister building into his legislation an infinity of care of unnecessary scruples and nice atomization that will only bring all kinds of fret into the community and very little money into the coffers of the province on that particular basis?

Take the situation with respect to testators, wills, trustees and the like. What on earth is the minister doing with this legislation? The first mention of the testator situation is when one throws into adjusted value the fair market value of property passing under a will or an intestacy, someone dying after April 9.

And that looks as though it is coming into the adjusted value, into an estate, etc. But then the minister proceeds as subclause (iv) of (d) under terms of disposition to define disposition as:

"Any change in the entitlement to, or any accretion to, the beneficial interest in designated land as a result of the death of any person." Then lo and behold, having achieved that particular objective—no, I'm not finished yet—one comes to section 3 and here is an amazing section with three subsections to it, detailing at some great length: "An administrator, executor, trustee or person acting in fiduciary capacity for the transferor of designated land that is disposed of is not, as such, personally liable for the tax."

There are six things that rise out of this; six muddleheaded, stupid things at least arise out of this. Because in the next section, having exculpated personal responsibility, the minister snaps him right back in again and says he's responsible for 150 per cent of the tax. And what is the person responsible for in any event, because in another section, back here, the minister says that in that particular contingency, under a will or an intestacy, there is no tax; there is no tax at all? The minister doesn't impose a tax; he deliberately excludes the tax.

While I am fumbling around here and trying to find that particular section—it is the most disenchanting thing in the world to learn that the minister has gone to all that trouble of embodying it on at least three occasions, and then turning around and saying: "After all, gentlemen, and the world at large, we are not imposing a tax on this contingency."

What goes on? What kind of a deal is that? What kind of drafting of legislation? What the minister should have done, what he is really after, what he is trying to do, he is talking about trustees inter vivos by way of trust documents of the living. This is basically what he is after and not the trusts involved, in wills and testatory instruments of all kinds.

If that is what the minister is after, then why doesn't he say so? Why does he go to all the flim-flam and the legerdemain of importing all the executors, trustees, adminis-

trators, into a particular section of the statute?

It means the minister is woolly-headed and when he was drafting the thing he worked—I suspect it must have been done close to 5:30 on some very rainy morning; because no light was getting into the windows at that particular time; and the brain was clouded over when he imposed these particular sections under the legislation.

I am bringing these forward, Mr. Speaker, to show the total state of absurdity and muddleheadedness in which this legislation finds itself. A person with an ounce of precision or logic, like myself, couldn't possibly accept this thing on principle, as it is presented to us under these auspices, and drafted in such a meretricious way. That seems, to me, beyond redemption.

The minister goes to the trouble weeks ahead of time to draft a budget statement sent to the printers, where it sets out in black and white on page 6:

> The government does not wish to discourage development or construction of industrial, commercial or residential building, accordingly exemptions will be provided in the following instances:

No. 1, I won't read. No. 2:

> Sale of property, where the vendor has complied with the subdivision agreement and constructed residential or commercial premises, will be exempt.

That's two things, by the way, before these wretched amendments begin to flow in on us. The minister has complied and constructed something. He hasn't just done one of those things, he has done two, and that's important in order to keep any kind of hold on this speculation business so far as the legislation is concerned.

But what does the minister do? Having set that forth in black and white days before the legislation came before us, the minister doesn't embody it. There is nothing in this bill that makes any reference to that. The minister has the effrontery then to stand up in this House and say—with that sanctimonious rectitude for which Conservatives are so famous, and which quite takes the breath out of any living socialist I have ever seen, including myself—what does the minister do? He gives a list of three things that he thinks he has been deficient in, and that he is going to try to patch up somehow, as we go into the committee of the whole House.

Mr. Cassidy: He is going to rewrite the bill.

Mr. Lawlor: It will simply have to be rewritten. How can he explain that hiatus, the total absence of that particular concept in terms of his legislation, if it weren't a case of precipitate draftsmanship and precipitate dealing with the legislation as a whole.

There are a good many other matters. I would put it to the minister and be very intrigued to learn that he and I go back to our law school days together, hand in hand this evening—

Hon. Mr. Meen: So to speak.

Mr. Lawlor: Tell me, what does he mean by beneficial ownership? He uses it with such cavalier aplomb in the course of the legislation. Everything is beneficial ownership. Is that legal ownership? Is that equitable ownership? Does beneficial ownership refer to a trustee situation? Just what ambit has that intriguing phrase got upon which a great deal of this legislation turns? I spent a good deal of time last evening trying to pick up what on earth the Conservative government, and the minister in particular, could possibly admit in this particular context. So I bring it to his attention. It is not just in the way of bantering; I am serious.

Mention has been made, and I shall not flagellate it, of the multiple sections of this bill which are penal in character. I, of course, refer to the search and seize sections. The minister has taken probably the most coercive, autocratic sections out of his Succession Duties Act, which have been under fire for a long time and which Mr. McRuer found repulsive and incapable of swallowing, added to them, placed an extra turn to the screw and embodied the whole works into this legislation.

Has the minister got some kind of totalitarian complex? Does he feed upon the punitive? Does it somehow titillate his ego to feel that now he is in the seats of the mighty, by George, the little ones down below will know that Meen is here and he will make his velvet glove, his clenched fist, felt in the population as a whole? He knows it is there, and he knows the impact of it and he knows how aggravating that type of legislation is. In the name of every minister of the Crown, no one else has ever dared to bring before the House legislation of such acerbity and such coerciveness as this particular legislation under that very head.

Well, Mr. Speaker, I have pretty well taken to task these various things. There are a number of other points; we will let them pass for this evening. We are anticipating

very shortly a whole series of amendments to this legislation which will probably on one side of the fence eviscerate it. The chicken was pretty thin to begin with but, by George, after they take the intestines out there won't be much left. This is the state in which this is. We have banged over to this side of the House to see those amendments in advance so that we, at least, can be prepared, because this is intricate stuff.

I think the minister himself will agree it's complex reading to try to work out the way in which the tax is calculated and the various concepts that go into the aggregate values involved here. Some of these things are going to be altered. Some of the major concepts are going to be under fire. The minister is going to argue that they are not changing the principle or the very meat of the bill. We're going to argue that they are, and he is going to bring forward more amendments in order to exculpate himself and not have to walk down University Ave. in sackcloth and ashes too early in his ministerial career.

The Treasurer of Ontario, with his brainwaves, has visited upon this minister a blight, and the minister grows grey in the process. As a matter of fact, I see a little whiteness over there already toward the rear of his head. With that in mind I have a certain amount of condolence for him in the wretched situation in which he finds himself, and we'll watch the adroitness with which he twists and squirms, a little like Uriah Heep, in the process of trying to get out of this particular legislation.

Mr. Speaker: The hon. member for St. George.

Mrs. M. Campbell (St. George): Thank you, Mr. Speaker. I am not going to speak at length on this matter, but I feel that it is incumbent upon me to express my own position as it pertains to the principle of this bill.

Mr. Cassidy: Is the member for it?

Mrs. Campbell: So far as I am concerned, my caucus, my party has, in principle, agreed that there ought to be a tax on speculative profits to discourage the speculator who has been abroad in this province for some time, who very often engages in paper transactions in order to inflate the price of land artificially. This, of course, was what I addressed myself to in reading this bill.

Mr. Cassidy: The Liberals never talked about speculation before this bill came in. Not a word.

Mrs. Campbell: That is totally untrue.

Mr. H. Worton (Wellington South): Just forget about him. He's just like a trickle of water.

Mrs. Campbell: But may I put this to the minister. I know that he has been asked to bring in his amendment and has consistently refused to do so. I know that he has been given one example after the other of what this particular bill will do. It strikes me that what this government has tried to do is to come to grips with the very situation which I describe, and then has created an apparatus, an awning, an umbrella, or whatever you want to call it, which hits all sorts of people who should never at all be considered speculators.

I have, for example, two problems which have been raised in my own riding. One is the case of a man and wife who bought a family home some years ago. The husband died. The wife is in a senior citizen accommodation and the house is being rented. Now, surely, by all that is holy and reasonable, that woman is not a speculator.

Then there is a further problem, the case where people have been sent out of the country by their businesses. They have rented their home for a period of time. Then finding that the five-year plan, or whatever plan it is, is not going to take effect, return to the province and want to sell. Again, surely, that is not a speculator. What happens with this bill and what concerns me even more than those two examples is that the effect of it, as I see it, is to create a monopoly of the large developers in this province to the exclusion of the smaller building, so that we may see the day when there are three or four large developers, plus the province, in control of the development of all the land in the Province of Ontario. I wonder if the reason why this government has not undertaken a definition of the speculator is that its own role is in precise terms the role of those that we are trying to discourage?

I am asking the minister now—I am not going to say please bring in the amendments—but if he has at all understood the concern of those who support a principle in that they cannot go too far in condemning everybody else in trying to support that same principle, would he not at least indicate to this chamber the philosophy of the amendments which he hopes to bring in? Is he going to put up a smaller umbrella? Is he going to try to protect those who in no way by any definition are speculators? If he

would answer me that question, then it would help me materially in coming to grips with this particular bill.

Mr. P. G. Givens (York-Forest Hill): Will the minister tell her what kind of an umbrella he is going to put up?

Mrs. Campbell: Surely there's a difference between the line-by-line amendment and giving to this House something of the minister's own concerns. The minister, I am sure, is far too capable a person not to have himself grave misgivings about the effects of this legislation in this province today. I do not want to be in the position where someone can say I changed my mind. My mind is exactly where it was when our leader proposed exactly the same idea, the same philosophy, but without these horrible repercussions.

Mr. Cassidy: When was that?

Mrs. Campbell: Please look it up. I haven't the time to enlighten the NDP today.

Mr. Cassidy: How many weeks ago?

Mrs. Campbell: Can the minister understand the problem with those of us who are in support of the philosophy in the way in which this bill really damages a lot of people? Could we expect some sort of definition that would clarify the philosophy, because if he could assure me of that, then I would be prepared to await the precise terms of the proposed amendments? Surely that isn't too much. Thank you, Mr. Speaker.

Mr. Speaker: Does any other member wish to participate in this debate? The hon. member for Kitchener.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, I think it's fair to say that in this particular debate, most of the matters which should be drawn to the minister's attention have been drawn by members on all sides of the House. It has been interesting in following this debate and having a dozen speakers from each of the opposition parties, and three as well from the government side, that all speakers have called into question particular items and have particular concerns in this debate.

The member for High Park (Mr. Shulman) had referred initially to a letter which all of us had received from the Metropolitan Hamilton Real Estate Board. It was my intention earlier on to review the particular points in that letter, not that I necessarily agree with all of them, but I think that it is incumbent upon the minister at least to be able to answer all of the particular concerns that that group have.

Mr. Lawlor: The member for High Park did all that.

Mr. Breithaupt: They are only one, of course, of many other groups that have shown interest in this particular legislation.

Mr. Cassidy: Does the member agree with the principle of the bill?

Mr. Breithaupt: The points that have been brought up are points, I think, that must be clearly defined in order that the legislation, if it is finally approved by this House, may attempt to meet the needs which the minister has said it was to meet.

One area of concern in which I was particularly interested was the matter of the exemptions of transaction which this bill allows the minister to make. We are told, particularly in section 20, that the Lieutenant Governor in Council may make certain regulations and those regulations will have the effect of giving exemptions in various areas to those situations that the minister may particularly wish to have exempted.

I have felt, as I have listened to the debate on this bill, Mr. Speaker, that it really should be dealt with parallel to the bill that the member for High Park introduced, Bill 32, which stands on the order paper, because I think there is a section in that bill which is particularly important to us as we debate this bill—that is section 7. In section 7 of that bill, we read, "The penalty for each offence shall be elastic but immense."

I think that this legislation could have been perhaps boiled down to that one sentence, because within many areas of our community there is a feeling that the elasticity of the penalty which the minister is able to impose by regulation or otherwise is bound to be immense and have an effect on many areas of our society, some of which I think it is really not the minister's intention to include in this kind of legislation.

Mr. Cassidy: It is matched only by the elasticity of their principles over in the Liberal Party.

Mr. Breithaupt: Mr. Speaker, it has been commented upon earlier, at least in the view of the Provincial Secretary for Resources Development (Mr. Grossman), that the main function of this bill, even though it is a taxing statute, is eventually to provide housing for the people of this province. It is certainly

clear in the comments which have been made by my leader and by members on all sides of the House that the most important need, and in my view at least, the real requirement within this province is for the provision of serviced land for housing. I believe, unless that is attended to, unless there is flood of land placed on the market through the involvement of the province in the servicing of land, and the provision of sewer and water resources, just as Hydro resources are provided, that that is the only effective way we will come to the root problem of the cost of housing within Ontario. There are various other things that have been referred to.

Mr. Speaker, I have no doubt you will recall almost verbatim my comments on the budget speech, which I gave in leading off for the opposition, that referred initially to the need for serviced land and the requirement for this government to remove the sales tax on building materials. That is only one of a number of things which goes to ameliorate the situation, but the root of the situation still remains in the matter of serviced land.

I fear that many of the complaints raised with respect to this bill will not have the effect that the minister is seeking. This is more particularly so when the various matters of exemption are left almost to the peculiar concern, the whim perhaps, of the minister acting through the regulations which can be made by the Lieutenant Governor in Council, which, of course, is the cabinet, that will have an effect on the kinds of control that are going to be developed as these lands, hopefully, are finally brought into the housing market.

There are many other points, Mr. Speaker, that I think can be referred to. Some of them have been covered, but one that I think is worthy of further review is the opportunity that this bill may give to deal in the transfer of principal residences as they are defined in the bill. It may be that the result of this legislation in exempting principal residences will give us persons who are changing those residences rather frequently.

A person may be able to move from one principal residence to another and avoid this taxation. This, of course, is not the intention of the legislation but I would suggest some of the amendments which the minister should be bringing forward will deal with this particular problem. I think that kind of movement between principal residences should be discouraged because it is obviously an abuse of the detail of the bill which the minister is attempting to bring into law.

Another point has been made with respect to the matter of investment going elsewhere. We have seen already in the public press advertisements which suggest that investors within the community and from outside Ontario might be better off to put their investment moneys in other provinces or indeed in other states of the United States. I draw that to the minister's attention because I feel that the kind of investment development we should have, even within our own province and from our own citizens, may not be the result the minister hopes for by the implementation of this legislation.

Many of the speakers so far, Mr. Speaker, have referred to the matter of building lots which we believe may no longer be available to the builder who puts up five or 10 or 20 homes within a year. The member for Waterloo North (Mr. Good) has commented upon the fact of ownership of land within the regional municipality of Waterloo. In our ridings of Waterloo North and Kitchener we have seen that four or five large organizations have an effective monopoly over the ownership of land which could be developed.

We feel it is not so much only a matter of the lack of services to land, to which I have already referred, but the fact that the average builder who is putting up a smaller number of houses may simply no longer find those lots available to him. The Treasurer, in making comments earlier—at least in the public press—has said that if this kind of statute is not sufficient, he is prepared to bring in the kind of legislation which will require sales to smaller building companies and individual contractors in order to avoid the problem to which many of the speakers have referred.

I would make a brief reference to an article which appeared in the Globe and Mail on April 11 last, which was written by Mr. James Purdie. He made the following comments:

> Ontario's new 50 per cent tax on speculative gains from land sales will force hundreds of small builders out of business unless amendments are introduced to exempt the lots they buy from developers, industry leaders have warned. Small builders are responsible for 50 to 75 per cent of houses built annually in the province. Each builds from five to 100 houses a year on lots purchased from major developers and these lots are subject to the new tax as the proposed legislation stands.

I won't go further into that article, Mr. Speaker, other than to comment that we, of course, have expected various amendments to

be brought forward by the minister to deal particularly with this point.

As the members are all aware, the amendments have not been made available to us as yet and we are hopeful that, in reviewing this bill when it goes to the committee stage, the minister will bring in the kind of practical exemption which will ensure that many of the builders, who are employing a number of sub-tradesmen and tradesmen within their own building companies or partnerships or whatever it may be, are still going to have the opportunity to acquire the lots from the developers in the situation which has gone on heretofore.

Mr. Cassidy: And if he doesn't the Liberals will flip-flop and withdraw their support.

Mr. Breithaupt: I think it is important for us to remember that if the construction of houses within the province receives the priority members of the government have said it should, this is one of the most particular points which has to be resolved in this bill.

There are many small builders who will be in a very serious position. I am certain that those of us who, because of our other activities, happen to have some involvement in or knowledge of the kinds of persons who are involved in these trades, have a great fear that the lands will not be available to them. As a result they will no longer build homes which are so badly needed within our province.

Points have been made as well, Mr. Speaker, with respect to the matter which has been raised concerning this tax being imposed, effectively, as a tax on inflation. Many of the members have made comments with respect to the investor who may own a fourplex or the person who has decided to sell a farm after having farmed for a number of years. If these two items were to have been hedges against inflation, then we find that this government, by its proposed tax at least to date, is going to be recovering those costs of inflation and in fact cutting into the savings of the people who have made these investments. So this too is a matter of great concern to us and a matter we feel the minister should make clear statements about.

If this is actually to be an inflation tax, then I suggest there are certain things that can be done. The member for Huron-Bruce has referred to a proposal whereby a person who had owned a farm for a 10-year term, for example, would be exempt from this kind of taxation. This could be done, of course, by using a depreciating scale of taxation which might well have a 50 per cent rate in the first year but would have a five per cent differential removed from the taxation for each year of ownership. This is the sort of thing which I think should also be available to the person who may own a commercial building, a sixplex or an extra home, which he or she has purchased and maintained and has hoped to use as a matter of savings.

There are, indeed, many persons who have not chosen to involve themselves in the security markets. Many persons have decided that the kinds of investments they might best like are those investments which they can see; and those investments frequently—indeed, within our province, more than just frequently—show themselves to be in land or in bricks and mortar.

If there was a time element built into this tax, and if the tax could have a depreciating rate of five per cent per year, then I think that many of the complaints which have been raised against this tax might well be resolved.

I believe it is quite satisfactory for us to attempt, at least in principle, to cover the recovery of these tax revenues from those who are simply speculating in raw land. The matters of improvement of those lands and of the length of time of holding those lands are surely things we should be considering.

A further point that has been raised, of course, dealt with the matter of allowances for taxation from the federal authorities. The member for Downsview and the member for York-Forest Hill have referred particularly to the fact, as set out in the earlier press releases, that this kind of taxation could result in burdens of 104 per cent or 112 per cent of the total profit of any project, especially if there was not an allowance made by the federal authorities for the tax provision under this Act.

The minister no doubt will be advising us when he winds up this debate as to how this matter is to be resolved. We certainly have been given no assurance, at least so far, that this is the kind of resolution that is going to fall into place in the way the minister sees it, as compared with the way that the federal authorities may in fact decide. Presumably before we finish the debate on this bill, we will know whether or not these allowances are going to be granted and are going to be deductible.

One other point about which I would like to speak is the matter set out in section 4, which deals with the various areas of designated land. I have referred to the mat-

ter of principal residence, but I think there should also be reference made with respect to the contiguous lands, which cannot exceed 10 acres. I think it would be worthwhile for the minister to consider, at least in the regulations that are made under this Act, that the various areas of parcels that should be exempt are those for which the townships have been giving the minimum severance. In other words, if the smallest parcel of land that one could have severed and upon which one could build a home is 25 acres or 20 acres, then that should form the base upon which this tax may be levied. Certainly if the parcel is of a size which cannot allow further subdivision in accordance with local bylaws and regulations, then obviously we won't be able to deal with the difference in land between the 10 acres that are referred to in the bill and the minimum size of 20 acres or 25 acres upon which the building permit has been granted.

As I have said, Mr. Speaker, there's a great number of particular items to which various members of the House have referred. I am not at all ashamed of the fact that we are prepared to accept the fact of support of this bill in principle, because I believe that the basic principle of attempting to acquire control over speculation in raw land is one that is worthy of support.

Mr. Cassidy: That's a very recent conversion. They've just come to that.

Mr. Breithaupt: As I have said, not only earlier but now—and I am not at all bothered by the views of our friends to the left—we are prepared to support this bill in principle. We believe that there are substantial amendments, and we look forward to seeing the amendments which the minister is going to bring to us.

Mr. Cassidy: The hon. member's party wants even more loopholes in the bill, in other words.

Mr. Breithaupt: These amendments, of course, are going to deal in many particular areas. As the minister attempts to launch into this area of land speculation, there are of course questions raised on every hand. I had referred earlier in my remarks to the matters brought forward by the Metropolitan Hamilton Real Estate Board. And they raise a large number of points, as I'm sure many other groups have sent on to the interest of the minister.

It is my hope that the minister, in his response and in the detailed information he is going to give us, will at least resolve the various points that have been raised. I am not saying that he is likely to agree with all of them. I am not saying that in many instances the comments made, perhaps by certain groups or individuals, can be seen as self-serving. Indeed, it would be curious if they weren't. Obviously the people who are interested in these various areas want to have the law as clear as possible.

If definitions are made, if principles are raised, then these are the pegs upon which future decisions can be made in the business world as well as in this Legislature. Whether the minister is able to bring out in detail and regulation the answers to these various questions has yet to be seen.

We hope, on this side of the House, that he will be able to resolve the problems. We do not think that some of them are going to be easily resolved, and it will be a matter of seeing how strong the government is in its commitment to this principle, as we look to the years to come, as to whether or not this bill will have proven to have been effective.

What we do say here and now, Mr. Speaker, is that the principle, as it has been defined by the minister, is worthy of support within the Province of Ontario. We disagree on many of the details and we will be bringing forward amendments that have been alluded to by various of my colleagues, which we hope not only will improve the bill but also will satisfy the comments that have been raised on all sides, not only in the House but also in all sides of interest and concern throughout the province.

On that basis we wish the minister well in attempting to resolve the problems. If he doesn't resolve them, we'll have a lot more to say in the future.

Mr. Speaker: Does any other member wish to participate? If not, the hon. minister.

Hon. Mr. Meen: Mr. Speaker, to begin with, may I just observe that I think that this is the most comprehensive debate in which I've ever had the pleasure to participate. I've read a lot of articles in the daily press and I have heard from an enormous number of individuals pressing, as the hon. member for Kitchener has suggested, their own private interests. I've received delegations from various interest groups, and particularly those who represent the subdividers, the developers, builders, home owners, apartment owners and so on. And I think all members here will have noticed that I have listened carefully to this entire debate.

Throughout all of this, I suppose it's fair to say that nowhere have the goals and objectives and perhaps, for that matter, the inherent problems been better delineated than in an article I came across just last weekend in the Financial Post, April 20 edition. It's entitled, "Land Speculation Tax May Swing a Big Clout," and it's by Beatrice Riddell of the Financial Post.

Ms. Riddell, in my humble opinion, has done an excellent job of covering this extremely complicated issue. I don't know where, in two pages, I was able to find more of the problems—not necessarily all of the answers, Mr. Speaker, but a whale of a lot of the problems are outlined there. She touched on the problems of the small builders, of the apartment owners, of the potential escalation in rent and all of those matters.

I would highly commend that article to hon. members as a fast distillation of the problems which we have been endeavouring to cope with here on this side of the House. May I touch briefly—and I'm going to go through this as speedily as I can in the limited time available—on some of our goals and objectives in attempting to bring forward productive legislation in this House.

Mr. V. M. Singer (Downsview): Take as much time as you want.

Hon. Mr. Meen: Yes, I think I will take as much as I feel is necessary to cover these points, Mr. Speaker.

We have definitely homed in on an anti-inflation thrust. We know that Canada can invoke tariff protection around its boundaries when it tackles the problem of inflation with matters such as price and wage controls. But, we know that here in the province, our capacity to tackle this sort of thing is somewhat more limited. But we also recognize that Ontario is a quite substantial part of Canada and we therefore recognize that perhaps in no small way and by our own measures, we just might be able to help reduce the rate and spiral of inflation.

As a secondary objective we do have the goal of more serviced lots and housing accommodation to get on the market at a sufficient rate that possibly supply can catch up with demand after all these years when it hasn't. My colleague, the Minister of Housing, is going to have more on this subject to say to hon. members in the weeks ahead. But enhancement of that programme will doubtless help our attack on inflation. By pricking the speculation boom, the speculation pressure on the price of land should help reduce the cost of land, or at least reduce the rate of increase in the cost of land, and thereby improve the housing picture. So one goal seems to be inextricably involved with the other.

Our approach to these goals, therefore, is multi-faceted. We talked, last week and the week before that, on the Land Transfer Tax Act and the 20 per cent tax on non-residents. That's a disincentive, as I hold the House at that time, to the foreign investment dollars entering the field of land speculation and land investment generally. We think that this will help reduce the investment pressure. I mentioned the housing action programme. We think that the Land Speculation Tax Act which is now before the House will help to get more houses on the market and will help in many respects to cut back on the spiral of inflation.

I emphasize to the members, particularly in the NDP, so many members have criticized this bill for not doing just that all by itself. I want to emphasize, particularly since I see the member for Scarborough West is here, that the members opposite can't criticize us for tackling a job which needs to be done. It's one thrust in several, so how can they criticize us in taking this action simply because they recognize, just as we recognize, that it alone won't do the job? We have other courses of action as well.

Mr. S. Lewis (Scarborough West): We have been waiting for that. We see no evidence of it.

Hon. Mr. Meen: One has to have myopic vision to suggest that this bill could be the only course of action we're suggesting. We've already seen the non-resident aspect of our Land Transfer Tax.

Mr. Lewis: It is the only one we have seen.

Hon. Mr. Meen: Any suggestion in the course of the debate on this bill is really not germane to this subject. What we're talking about is a Land Speculation Tax Act.

Mr. Cassidy: The minister had better try better than that. He plays that trick every time.

Hon. Mr. Meen: The member for Riverdale (Mr. Renwick) was loud in his criticism of this Land Speculation Tax Act too, because he said it wouldn't resolve the housing problem. He also suggested it wouldn't reduce prices. I'm not suggesting it's going to reduce prices either. Nobody is.

Mr. Lewis: The minister is not?

Hon. Mr. Meen: If we can reduce the rate of increase in prices just by that—

Mr. Lewis: Oh come on!

Hon. Mr. Meen: —just by that factor alone, we will have accomplished a great deal.

Mr. Lewis: If that is an accomplishment, that is the—

Hon. Mr. Meen: Let us just outline, for the benefit of the hon. members, the seven or eight different areas on which I would like to touch this evening.

Mr. Lewis: Some bill.

Hon. Mr. Meen: I want to talk about the problem of builder-buyers, let's say, from developers.

Mr. Lewis: That sounded nice—

Hon. Mr. Meen: I want to touch on the speculation tax, vis-à-vis the Income Tax Act of Canada; I want to touch on the scope of the regulatory powers referred to in the Act; I want to speak about the problem of the genuine investor; I want to talk about the renovations and general improvement sections in this bill; I want to speak about exemptions from designated lands, as raised by the hon. member for Riverdale; the question of precision and accuracy in tax law, and also, if time permits, a few general comments on the matters raised by the hon. members, not necessarily in those particular categories.

First of all, with respect to this Act as it applies to builders. I note that the hon. member for St. George is not in her seat; she was the last to direct my attention, I think, to this particular matter.

Mr. Cassidy: She is in the estimates committee, because of the way this House is ordered.

Hon. Mr. Meen: As we developed this bill, we started out looking at raw land turnovers, and we saw some—limited, mind you—but some limited statistics on turnovers at $100,000, the sale of $200,000, of $300,000, of $600,000, of $1 million, and so on. Our first attack was to look at the transactions in raw land without any significant improvement. But then we started looking at the degree to which improvements might be accomplished. If you rezone a piece of property, is that an improvement? If you rezone it and you put on a plan of subdivision is that really an improvement? Or if you rezone it and you put in services, paving, water and sewer mains, street lights and so on, is that an improvement? It may be.

As a matter of fact, to come back to that point, you get more money for it if you simply rezone it. You would get more money for it if you put a plan of subdivision on it without doing anything more for it. But that is not necessarily an improvement in the physical sense.

But, what we were anxious to accomplish was to get more houses into the housing market. And so the Act, as hon. members have seen it, provides that in that case the developer will make a profit out of the development of the properties, free of speculation tax only if he puts houses on the property.

Mr. Lewis: He gets 60 per cent for the land, higher than he is now getting.

Hon. Mr. Meen: It became apparent that many small builders – as the hon. member for Downsview so clearly expressed it, as many members in both your opposition parties expressed it to me and indeed as I had it submitted to me by many people who came to see me—that many small builders would be out of business. Some developers don't build any houses at all in their subdivisions. Others build only on some of their lots. Very, very few build on all of them. In my opinion, and my colleagues agreed with me, if we left the Act this way, it would slow up housing and it would be counter-productive. We were anxious to speed it up.

Interjections by hon. members.

Hon. Mr. Meen: We were afraid that it would hamper all subdivision completion within a reasonable period of time, and frankly, also, there would be less variety and style of homes within various residential subdivisions. So entirely apart from all of this, we noted that it would put many small builders out of business. And, as one of the hon. members observed tonight, it would put them inevitably at a competitive disadvantage.

Therefore, I will be introducing an amendment, when we go into committee, to permit tax-free sales to purchasers covenanting to build within a limited period of time—nine months as I figure it.

Mr. Givens: How long? A year?

Hon. Mr. Meen: Nine months to build on one-half of the lots they take over, and within 18 months on the balance of the lots which they purchase.

Mr. Lewis: The bill's a joke.

Hon. Mr. Meen: HUDAC submitted to us a proposal very much like this. They suggested one year for the first half, and two years for the second. We are inclined to favour a somewhat shorter period of time than that. We think that nine months –

Mr. Lewis: Surprised he didn't give them 60 days.

Mr. Givens: Big hearted.

Hon. Mr. Meen: –the nine months would be sufficient–not to complete–to begin construction within the stipulated period of nine months on the first half and on the remaining half within the other nine months.

Then, I want to come to the matter of speculation tax. This is related to the federal Income Tax Act and I see the member for Downsview nodding his head because I know that he was one of the first to raise this point.

I will simply reiterate what I have said earlier on this. Our approach is within the present operating pattern of the income tax department with respect to costs of doing business. Our tax is not a tax on income and what we have assumed all along in this matter is that the federal Department of National Revenue would not change the rules of the ball game. The rules presently provide that a cost relating to a transaction is expensible with respect to that transaction and is deductible before you compute your income tax for the taxation year.

Our tax does not relate to a taxation year; it is related to the transaction and is utterly unrelated to the taxpayer's other taxable income. He may be in a non-taxable position or he may be in a very high tax position. He may have a tax loss because of other factors available. He may have a tax shelter. There may be competent cost allowances or whatever that may be available to him under the Income Tax Act but that is not the point. What we are talking about here is a tax on a particular transaction. We think we are on legally firm ground. We also think, and this is in answer to a question raised by the member for Riverdale, that because it is related to the transaction and to the corporate tax picture of the taxpayer, it will be a real disincentive.

It is fine to talk about a minimal increase from 60- to 80-odd per cent. But the fact is, on that transaction over which he has control at the time when he makes it, the tax is 50 per cent on the gain. We think it will be a disincentive to hold on to and to speculate in land.

Mr. Singer: And, in the event that you're wrong?

Hon. Mr. Meen: In the event that we are wrong, and I might just finish on this point, the–

Mr. Cassidy: Remember, the member for Downsview supports the principle of the bill.

Hon. Mr. Meen: Of course, and may I congratulate him and his party for their intellectual integrity. In the event that we are wrong, in the sense that if your friends, the Liberal Party in Ottawa, change the rules of the ball game–

Mr. Singer: You mean the government of Canada.

Hon. Mr. Meen: Yes, I mean the government of Canada. If they were to change the rules of the ball game, we might very well have to rethink this, because we are not out to confiscate at 112 per cent any transaction. That would mean nobody would put his property on the market at all and that would be very counter-productive. So, we would have to look at it then. I think any taxpayer, and that means any province as well, is entitled to assume that another authority is not going to change the rules of the ball game. If they do we will come back at it. I think we are quite entitled to assume that your friends up in Ottawa are not going to cut the ground out from under us on such a bona fide attack in a serious area like land speculation.

Mr. Singer: Aw, stop being so holy.

Hon. Mr. Meen: Anyway, let me go on to the next point.

Mr. Lewis: Have you discussed it with them since you introduced the bill?

Hon. Mr. Meen: As a matter of fact, there is no point in discussing it with them until the bill is law. Then I think they will be quite prepared from what I am advised to discuss this matter then. But our general assessment of the attitude of the federal government is not one that causes me any grave doubt at this time.

I noted that the Minister of Finance, when asked a question in the House a week ago Tuesday, indicated that he was not prepared to make a firm statement on this until he had seen the bill in its final form.

Mr. Lewis: Not prepared to make a firm statement, but the minister feels–

Mr. Speaker: Order, order, the minister gave every member of this House an opportunity to speak, now give him an opportunity.

Hon. Mr. Meen: Some members, Mr. Speaker, have questioned the scope of the regulatory powers provided in the Act. I'm the first to say, 'Yes, they are very broad.'

Mr. Cassidy: Yes, they are.

Hon. Mr. Meen: I'd prefer just as much as possible of all of this to be in legislation, and frankly I'd prefer to put as little in the regulations as I could. But at this point I really have no idea what is around the next bend, but we are building into this Act just as much as we possibly can by way of precision. Perhaps after a while, after the Act has been in effect for some months—

Mr. Lewis: Precision.

Hon. Mr. Meen: —we will be able to build more into the Act. As I say, I would like to see more in the Act than has to be sometimes in regulations.

Mr. Cassidy: There has to be more—

Hon. Mr. Meen: I've been asked just what kind of things might go into the regulations. I've jotted down a few thoughts that occurred to me in this regard.

Mr. Lewis: What's occurred to him?

Hon. Mr. Meen: We may have to define specific kinds of transactions. We may have to develop particulars of allowable expenditures on improvements. We may have to alter the forms of the affidavits.

Mr. Cassidy: We have to work this legislation out.

Hon. Mr. Meen: The question was raised tonight of what constitutes a principal residence. The hon. member for Kitchener raised the question. That's one that may well have to be subject to definition by regulation for the very points that the hon. member for Kitchener raises. We may have to set down guidelines as to evidence of bona fides on prior agreements. We have to develop rules for application of tax with respect to liens, their release both in whole or in part, the postponement in favour of other claims, and so on.

As I mentioned a moment ago, after this Act has been in place for a few months and we have an opportunity to assess it, it is going to be a lot better and a lot easier to determine what should be in regulation and what should be in the Act.

Mr. Cassidy: The minister should have thought of that before and not after the fact.

Hon. Mr. Meen: Now what about the matter of "genuine investor"? He is just as hard to define, I venture to say, as the speculator.

Mr. Cassidy: There is still time for an abortion you know.

Hon. Mr. Meen: The genuine investor is the good guy and the speculator is the bad guy.

I think we have taken care of and adequately protected the genuine farmer, despite what the hon. member for Downsview had to say on the point. But somehow, I think, when we were doing all this, we lost sight of the genuine investor who buys rental property and rents out housing accommodation. I've listened to comments by so many of the hon. members from both parties on this subject in trying to catch the speculator who turns over rental accommodation by a routine with which we are all familiar. He buys a duplex or a fourplex, ups the rent, and immediately the sale value goes up—he may do nothing to it whatever—turns the property over at a handsome profit and goes on and does the same thing again.

We were trying to catch this sort of situation just as much as we were trying to catch the speculator in raw land.

Interjection by an hon. member.

Hon. Mr. Meen: So I think what happened was that we wound up catching bona fide good long-term investors in the course of trying to catch the bad guy.

Mr. Lawlor: The minister is going to say he'd hold it for five years?

Mr. Cassidy: They are all speculators.

Hon. Mr. Meen: If we were simply to leave the Act as it stands, then the owner of a rental accommodation could anticipate no real protection against the future, so he'd make no repairs unless they were required under our new Landlord and Tenant Act, which the member for Lakeshore and I had a little bit to do with a few years ago.

Mr. Lawlor: We drafted that together and it was well done.

Hon. Mr. Meen: I think, perhaps, along with that, or perhaps as an alternative to that,

he might immediately raise the rent substantially to recoup what he lost on unrealizable capital appreciation, or he might do both in some form or other. There would be no more starts in construction of new rental accommodation.

I mentioned Beatrice Riddell earlier. She quoted in the article one person to whom she spoke as saying no one in his right mind is going to build apartments. I think that's quite right; that is just exactly what would have happened.

So I will be introducing an amendment to provide for abatement of tax where rental property is held over a period of years.

Mr. Cassidy: How many?

Hon. Mr. Meen: The degree of abatement will relate to the length of the term the property is held. I think this will tax the quick in-and-out artist and will protect the genuine investor. I might mention for the benefit of the member for Downsview that I don't propose to do that by regulation. I think we can do that in the Act.

Let's say the first two or three years of the period would be subject to no particular abatement so that you then nail down the genuine rental accommodation investor from the quick turnover artist.

Mr. Singer: Is the minister going to make a provision for death?

Hon. Mr. Meen: Then you have a scaled period of years for abatement of the tax.

Mr. Lawlor: Would he settle for 40?

Hon. Mr. Meen: I think we can accommodate that kind of thing, as raised by the question of the member for Downsview. I think we can accommodate that kind of thing in other provisions, such as the regulations.

Mr. Cassidy: You can double your money in five years, is that right?

Hon. Mr. Meen: I have a final observation in this general area of the speculator in response to the member for Riverdale. I am sorry he is not here this evening.

Mr. J. E. Stokes (Thunder Bay): He is down in committee with the Solicitor General's estimates.

Mr. Meen: I didn't check Hansard on this point. If I may, I will paraphrase from my notes what he said. He observed that ownership of property, its development from raw land to developed state and its sale in the market place are inexplicably intertwined with the holding of land for investment purposes to derive rental income. I say to him I couldn't agree with him more. I suppose that has been our greatest task in trying to put this Act together, to distinguish for tax purpose the investor for income purposes from the investor for the purpose of speculative gain. I believe the amendments I have just outlined with respect to builders and owners of rental housing will resolve these difficulties.

Mr. Cassidy: The minister condones long-term robbery, but he disputes short-term robbery.

Hon. Mr. Meen: Now as to renovations and general improvements, there are two general categories with respect to the 20 per cent acquisition cost re renovations. I am told by people here in areas like Metro Toronto that this may be too low. This is a case where the land related to a house in the core of Toronto may have such a high related value that it is not too hard to put 20 per cent of the total cost of that property into the house for any significant improvement in it.

On the other hand, the member for Sandwich-Riverside (Mr. Burr) has observed to us here in the House, and he gave us two good illustrations in the course of his participation in the debate, that that 20 per cent may well be high, once you get out of Metro, where you get a completely different picture of the value or whatever—the cost—of raw land or of serviced land, of vacant land, to the value of the building situate on it. When you get away from Metro you get a different kind of picture. So the 20 per cent may turn out to be low in Metro, but it may well turn out to be high elsewhere.

My staff and I are presently looking at other ways to help overcome this type of problem as outlined by the member for Sandwich-Riverside. For example, and whether we can make this work or not, I don't know, but it is a rather sophisticated approach which will take quite a number of little bits of detail in it.

We might provide that profit on resale could be allowed to be equal to demonstrable improvement expenses if, for example, that's less than the 20 per cent figure refered to in the Act; with only the excess, if there is any, over the 20 per cent being subject to tax at the speculative rate. It's complicated and as I indicated we are going to see if we can resolve that difficulty.

Members asked why do we have broad powers in the regulations. I say to the

member for Sandwich-Riverside that's one of the reasons we have a fair amount of discretion and flexibility built into the regulations.

Interjections by hon. members.

Hon. Mr. Meen: As to general improvements on vacant land there is no tax if the value exceeds 40 per cent of the total resale price. We originally thought in terms of a 50-50 balance between land and buildings even though in some areas of the province, as indicated by some members, the value of land may be quite a bit less in terms of percentage than the value of the building located on it. Taking Ontario as a whole we were inclined to look at a ratio of 50-50 and, in order to reach our figure of 40 per cent—or in reaching it—we simply picked a figure that was not too harsh.

We didn't want to be too harsh but on the other hand we wanted to make sure that someone—the speculator type—couldn't erect a shack on a parcel of land and thereby qualify for having improved it. We wanted to make sure he would have a very substantial improvement on that property before he went ahead and sold.

Here in Toronto, if 40 per cent of the sale price is reflected by the value of the improvements one has placed on the otherwise unbuilt-upon lot, in our opinion, one has made a pretty substantial contribution. From a practical and pragmatic approach, even here in Metro, our bet is that one would put on it a building worth more than the purchase price of the lot. That's probably not an unrealistic figure at 40 per cent.

Some members have questioned the exemptions from designated land. The member for Riverdale said, in effect, it's just resort property which is exempted and he asked why did we make that exemption? Frankly, it's quite simple; all members have to do is look at our objectives. We are trying to put a lid on land speculation and we're trying to get more housing on the market. I don't want members to think I am being facetious but frankly there is no evidence that people speculating in resort property are thereby driving up the price of housing. There is no relationship between the two and so we exempted that area from the definition of designated land.

Mr. Lawlor: Besides, the government is not stepping on the toes of its oil friends, the sheiks of Araby. It leaves them free to manipulate whatever they please.

Hon. Mr. Meen: There's also the question of precision and accuracy in our tax laws. I think that was raised by the member for Downsview. I agree that, basically, in a taxing legislation the application has to be clear and precise and it has to be accurate. It is also imperative, particularly in pioneering legislation like this, that there be discretion to relieve against unexpected and unintended adverse effects.

In this regard I might observe that there is nothing unique about this. We've got the same thing in the Retail Sales Tax Act, the Succession Duty Act and the Corporations Tax Act; there is nothing new at all. It is particularly important that we have it in this Act.

The federal Income Tax Act, in section 246, has an interesting section that shows the extent to which it thinks it should be able to go and that's not even in relieving against tax. I might just read to the members section 246 of the federal Act. It talks about tax avoidance. It says:

> Where the Treasury Board has decided that one of the main purposes for a transaction or transactions effected before or after the coming into force of this Act, was improper avoidance or reduction of taxes that might otherwise have become payable under this Act, the Income Tax Act or the Excess Profit Tax Act, 1940, the Treasury Board may give such directions as it considers appropriate to counteract the avoidance or reduction.

If that isn't a high-handed provision—and that's been in federal taxing legislation since the 1940s.

As members can see there's nothing unusual and that's an actual application of a tax when what we're talking about here is some discretion to relieve against the tax.

Interjections by hon. members.

Mr. Lawlor: That's an old chestnut.

Hon. Mr. Meen: Perhaps I can make some general comments on points raised by some of the members. Some have asked about the staff requirements. Our staff in our succession duty office and in the assessment office will be able to provide valuers who can serve as the core or nucleus of this programme.

We might, had it not been for this programme, have expected some shrinkage as our assessment programme across the province winds down a little bit where we accomplish all of the assessment and we need fewer staff for that. We will be able to accommo-

date this load of work as the other workload tapers off somewhat. So I don't expect a great bulge in employment in—

Mr. Cassidy: The minister deferred that by a couple of years.

Hon. Mr. Meen: —the ministry, possibly a couple of dozen at the most; but something of that sort. Most will be provided from within the expertise of the succession duty office, the real estate evaluers, and the assessment office.

Mr. Lawlor: The minister is fooling himself.

Mr. Cassidy: It is not the Act that's the problem. It is the loopholes.

Hon. Mr. Meen: One of the members touched on the tax rate shown in the Treasurer's budget statement. They assume the top rate and it's not quite appropriate to talk about them, otherwise than to recognize that they are the top rate. I've already mentioned that, in some cases, the corporations and individuals may have a loss picture which, therefore, gives a rather different atmosphere.

Mr. Cassidy: Many of them make huge profits and don't pay a dime in tax.

Hon. Mr. Meen: The member for Downsview quarrelled with the provision for communication of information to other municipalities — excuse me, other ministries; I couldn't read my own notes—and other provinces and, for that matter, to the federal government. Well, we have this same provision in the gift tax legislation which went through a year or so ago and I don't recall any particular objection being raised by hon. members at that time about this communication of information. The federal Income Tax Act has a section like this. I read section 241(4) of the federal Income Tax Act:

> An official or authorized person may, under prescribed conditions, communicate, or allow to be communicated, information obtained under this Act to allow inspection of, or access to any written statement furnished under this Act to the government of any province in respect of which information and written statement obtained by the government of the province for the purpose of a law of the province that imposes a tax similar to the tax imposed under this Act, is communicated or furnished on a reciprocal basis to the minister.

We've got, as I say, similar provisions in the common gift tax legislation across the various provinces. It is done on a reciprocity basis rather like the principle of the reciprocal Enforcement of Judgements Act, with which I'm sure the lawyers in the House will be familiar. This is where one jurisdiction has enacted provisions for enforcement of an execution from another province, then we will recognize that execution from another province as one of our own.

So, we're not really in any different position in this Act, and in this regard, than we are with all our other legislation.

The member for Downsview also said that we're picking needlessly on the farmers. He said, and I quote page 1478 of Hansard:

> I am not one who has been the strongest advocate of more benefits for farmers [He can say that again, I suppose.] and some of my colleagues can tell the House that, but I think in this statute the government is picking needlessly on the farmers. He is saying to a farmer who has had a farm in his family for several generations that only if he sells it to his sons or to somebody who is going to continue the farming use is he not going to get caught up in this taxation.
>
> Why? Here's a farmer who has carried on a farming business for several generations and the minister says whether it's a good farm or a bad farm, whether the farmer and his family are able to sell it to somebody else for farming uses, we are going to pounce on them too. And like the widow I was just telling members about, his incidence of tax can go the 112 per cent route, too. Is that fair? Of course it is not fair.

Of course it isn't fair.

I agree with him.

Of course it isn't fair. We don't expect it to go to 112 per cent for one thing, but on the other hand, the member for Downsview is completely misunderstanding the 10 per cent cumulative allowance per annum that we have built into this Act to protect the genuine farming interest and provided that farm is kept in farming, and in the family, the 10 per cent per annum is cumulative. Within seven years at 10 per cent per annum, that farm could double in value and there would be no speculative tax payable whatever.

Mr. W. Hodgson (York North): It has to be kept in the family though.

Mr. Singer: If it is going to be kept in the family, the minister will never realize it.

Hon. Mr. Meen: When he sells it at that point in time, he is able to take that as his base price, together with all other costs he has accumulated over the period of time before any tax is payable.

Mr. Singer: Speak to the member for York North.

Hon. Mr. Meen: That's an extremely generous allowance to the farm community.

Mr. Cassidy: That's right.

Mr. F. Young (Yorkview): Mr. Speaker, could I ask the minister a question here? Does this particular thing apply to tree farming?

Mr. Ruston: Tree farming?

Hon. Mr. Meen: Tree farming is not defined in the section in the Act, Mr. Speaker.

Mr. Singer: The minister is wrong on that one too.

Hon. Mr. Meen: Unless it comes within the definition of—and I don't have the section in front of me. I wish I could turn that up quickly. We have not spelled it out, but we think that it might well be interpreted as falling within other general words, if the members can help me find the section.

We can get to it in committee. I can have more to say to the hon. member on that point.

Mr. Lawlor: How about wood lots?

Hon. Mr. Meen: It is not spelled out specifically. There is a committee dealing with this and I am awaiting further word from them as to whether it would be necessary to describe, for example, Christmas tree farming specifically or otherwise in order to be included.

Mr. Lawlor: We are thinking of wood lots.

Mr. Gaunt: Is that 10 per cent only applicable to sales within the family?

Hon. Mr. Meen: Well, so many of the other members have simply commented on matters which I have already touched upon, Mr. Speaker. I don't want to miss anything of consequence.

The member for Lakeshore—

Mr. W. Ferrier (Cochrane South): Great fellow. Wonderful man.

Hon. Mr. Meen: —described the alleged chaos. I don't know whether he used that term, but he suggested that there was some measure of chaos perhaps in the registry offices these days.

Mr. Lawlor: I more than suggested, I even intimated.

Hon. Mr. Meen: Well, I am sorry to hear that frankly. I had hoped that my letter to the legal profession and to the real estate people would explain our course of action—

Mr. Lawlor: The minister is too insulated.

Hon. Mr. Meen: —and that our staff directly from this ministry, or the staff of the Attorney General's office, through the registrar, would be able to provide adequate explanation, plus the fact that the telephone lines have been available to assist in clarifying any of these points.

Mr. Singer: The bar association is running a $50 course to explain the minister's bill.

Hon. Mr. Meen: But we do have staff in the registry offices and I hope that as the lawyers and their conveyancers become more accustomed to this new law—and this is part of the problem, of course, it is a new law—they will have less difficulty in dealing with it.

Mr. Lawlor: They said there are more affidavits than deeds.

Hon. Mr. Meen: The member for Lakeshore also raised the question of defining land passing under a will as a disposition and then later exempting it. Well, I think if the hon. member will wait until we get into committee I will have an opportunity to show him the way in which the section covers it so that where there is such a disposition they can fix a date from which evaluation can run. In that sense he'll understand why, in drafting this, we have it included in a disposition and then later on specifically exempt the passage under a will as free of tax. One couldn't simply exempt it or you didn't have the precise period of time we were trying to grasp, for computation of the next turnover of taxable period. It's very complicated.

Mr. Lawlor: I knew there was something convoluted about it.

Hon. Mr. Meen: And I think we can only do it when I can point him to the precise section.

Mr. Lawlor: We'll go hand in hand through the tulips.

Hon. Mr. Meen: Now the member for St. George still hasn't returned and I don't know whether I have touched all the points she has raised or not.

Mr. R. F. Nixon: She is down in the committee working.

Mr. Lewis: Trapped in the committee because of the absurd way this House is run.

Mr. Cassidy: And so is the member for Riverdale.

Hon. Mr. Meen: I think I have touched on the major ones of builders and developers and so, Mr. Speaker, I think quite honestly both parties opposite, particularly the NDP, are having difficulty in justifying their opposition of this bill and I think, basically, both parties really do support the principle of this bill. At least, Mr. Speaker, the Liberals opposite have had the intellectual integrity to come forward and say: "Yes, we do support the bill."

Mr. Cassidy: That is no integrity—the minister knows that.

Mr. Lawlor: The hon. member for York East's (Mr. Meen's) liver is in the right place, but his brain is all wrong. Come on.

Mr. R. F. Nixon: Write that down somewhere: "intellectual integrity."

Hon. Mr. Meen: I don't fault them for saying: "Look, we want to see what amendments you are going to bring in. We may have some of our own." But if they recognize that the principle is sound, then I give them full marks for their integrity.

The only question the NDP have been able to raise seems to be the charge—and it is false, utterly false—that this bill won't set out to do what it is intended to do.

I pointed out that it is part of a package—a multi-pronged attack on the whole question of housing and the spiral of inflation. We think that it can do a lot in this regard.

I'll tell you this much. It's a whale of a lot better than doing nothing. And that is what those people over there would do, just plain nothing. At least the Liberals recognize that this is a great deal better than doing nothing.

If we were to sit back and do nothing, and six months from now prices were to spiral on some more, they would be the very first ones, Mr. Speaker, to be complaining that we hadn't done something.

Interjections by hon. members.

Mr. Speaker: Order!

Mr. Cassidy: Government members are experts at that. In 2½ years the price of houses has gone up 50 per cent—since the Premier (Mr. Davis) came to power.

Hon. Mr. Meen: I throw out a challenge to the NDP to smarten up, to recognize when there is a good bill in the House and to support it just the same way as the Liberals have seen the light and are supporting the bill.

Mr. Speaker: The motion is for second reading of Bill 25.

The House divided on the motion for second reading of Bill 25, which was approved on the following vote:

Ayes	Nays
Allan	Bounsall
Beckett	Burr
Bernier	Cassidy
Braithwaite	Dukszta
Breithaupt	Ferrier
Brunelle	Lawlor
Campbell	Lewis
Deacon	Renwick
Downer	Stokes
Eaton	Young—10.
Edighoffer	
Evans	
Gaunt	
Gilbertson	
Givens	
Guindon	
Haggerty	
Havrot	
Hodgson (Victoria-Haliburton)	
Hodgson (York North)	
Irvine	
Kennedy	
Kerr	
Lane	
Leluk	
MacBeth	
Maeck	
McIlveen	
McKeough	
McNeil	
McNie	
Meen	
Morrow	
Newman (Windsor-Walkerville)	
Newman (Ontario South)	
Nixon (Brant)	
Nuttall	
Parrott	
Paterson	
Reid	
Riddell	
Root	

AYES

Rowe
Ruston
Scrivener
Singer
Smith
(Simcoe East)
Smith
(Hamilton Mountain)
Snow
Stewart
Taylor
Timbrell
Turner
Villeneuve
Walker
Wardle
Winkler
Wiseman
Worton
Yakabuski—60.

Clerk of the House: Mr. Speaker, the "ayes" are 60, the "nays" are 10.

Mr. Speaker: I declare the motion carried.

Motion agreed to; second reading of the bill.

Mr. Lewis: Now that's a moral victory. Virtue is its own reward, Mr. Speaker.

Mr. Speaker: Shall the bill be ordered for third reading?

Some hon. members: No, no.

Mr. Speaker: Committee of the whole House?

Agreed.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, before I move the adjournment of the House, tomorrow we will return to item 6 on today's order paper, Bill 25, in committee of the whole House.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:55 o'clock, p.m.

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Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Tuesday, May 7, 1974

Afternoon Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, MAY 7, 1974

The House met at 2 o'clock, p.m.

Prayers.

Mr. H. Edighoffer (Perth): Mr. Speaker, I'd like to introduce to you, and through you to the members of this House, Miss Cooper and a number of students from the Stratford Centre nursing division of Conestoga College; they are situated in the east gallery, and I'm pleased that they are able to be with us today.

Mr. J. H. Jessiman (Fort William): Mr. Speaker, I'd like to introduce, through you to the House, a class of students from Agnew H. Johnston school from the great city of Thunder Bay, with their vice-principal, Mrs. Sheila Shallot, and accompanied by two escorts.

Mr. Speaker: Statements by the ministry.

FEDERAL BUDGET

Hon. J. White (Treasurer, Minister of Economics and Intergovernmental Affairs): Mr. Speaker, I should like to make some brief comments on the federal budget introduced in Parliament yesterday by the federal Minister of Finance.

Mr. A. J. Roy (Ottawa East): Good budget, eh? Great budget.

Mr. S. Lewis (Scarborough West): It is a terrible budget.

Hon. Mr. White: First, the federal budget is not anti-inflationary. It is much more expansionary that the Ontario budget.

Mr. Roy: It's doing more than the Treasurer's budget did.

Hon. Mr. White: Federal budgetary expenditures are forecast to increase by 22 per cent in 1974-1975, which is a 65 per cent greater increase in expenditure than Ontario's—

Mr. D. C. MacDonald (York South): The election is on. The Legislature becomes the hustings.

Mr. R. F. Nixon (Leader of the Opposition): Bob Stanfield is certainly going to appreciate this.

Hon. Mr. White: —and our increase of 14.2 per cent included large transfers for the municipalities, unlike the federal budget.

Mr. Lewis: The Treasurer is using the Legislature for political purposes.

Hon. Mr. White: It is also a greater percentage increase than forecast for the economy as a whole.

Mr. R. F. Nixon: Their deficit is smaller than the Treasurer's.

Hon. Mr. White: Listen—

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): For good reason—they are giving our money away.

Interjections by hon. members.

Mr. Speaker: Order, please. Order.

Mr. M. Shulman (High Park): Mr. Speaker, is this the pot calling the kettle black?

Hon. Mr. White: Second, the province's cash outflows are estimated at $708 million in 1974-1975 or $336 million less than our total cash inflows. This surplus of funds will be directed to the reduction of public debt and will contribute to stability in the capital market. By contrast, the federal cash requirements will increase from $1.7 billion to $2 billion, excluding foreign exchange requirements.

Hon. Mr. Winkler: I wrote the speech.

Hon. Mr. White: This means that federal demands on the capital market will be increased considerably in a period of tightening credit conditions and rising interest rates.

Mr. R. F. Nixon: All this will be changed by freezing wages and prices.

Hon. Mr. White: Third, unfortunately there is almost nothing in the federal budget to relieve the financial pressures of the provincial-municipal sector. In fact, the province

would lose $40 million in revenues in this fiscal year if the proposed measures were enacted—

Mr. Lewis: They will be.

Hon. Mr. White: —because Ontario would finance 23 per cent of the proposed reductions in the personal income tax base.

Fourth, the $50 tax cut announced by Mr. Turner, which does not affect Ontario revenues, is extremely modest in relation to the huge increase in federal income tax revenues.

Mr. R. F. Nixon: There should be bigger tax cuts. Something like the tax cuts the Treasurer made. Why doesn't he take the sales tax off clothing?

Hon. Mr. White: Indeed, federal personal income tax revenues will still go up by 20 per cent or $1.5 billion even after this tax cut and the changes in the tax base.

Mr. R. F. Ruston (Essex-Kent): Is the Treasurer going to take the tax off clothing?

Hon. Mr. White: If the federal government had succeeded in controlling expenditures within the limits established by Ontario, a meaningful tax cut of at least $200 would have been possible, or alternatively their cash requirements would have been reduced by three-quarters.

The $50 federal tax cut does nothing for Canadians who are too poor to pay income taxes.

Mr. E. Sargent (Grey-Bruce): The Treasurer can still take the sales tax off sweaters.

Hon. Mr. White: As Mr. Turner's tables show, people with no taxable income get no benefits; that is, families having incomes below $4,000 and single persons with incomes below $2,000.

Mr. Roy: The Treasurer's remarks are provocative, Mr. Speaker.

Mr. Lewis: They're not provocative at all. They are dead on.

Hon. Mr. White: By contrast, Ontario's enriched tax credits provide the maximum tax relief to people at the very bottom of the income scale.

It is no wonder—

Mr. R. F. Nixon: Bind my feet and watch me dance!

Mr. Speaker: Order.

Mr. Lewis: That's what they said in the NDP federal caucus meeting this morning.

Hon. Mr. White: It is no wonder the Liberal dum-dums are wandering around this province misinforming the populace.

Interjections by hon. members.

Hon. Mr. White: Well, I can't believe the Leader of the Opposition is lying; therefore he must be completely uninformed.

Mr. Speaker: Order!

Interjections by hon. members.

Mr. Speaker: Order please. If the hon. members of the Liberal Party object to being called dum-dums, I will ask the minister to withdraw.

An hon. member: Completely out of control.

Hon. Mr. White: The best is yet to come.

By contrast, Ontario's enriched tax credits provide the maximum tax relief to people at the very bottom of the income scale. Low-income pensioners will receive from us up to $100 in increased tax credits, while poorer families will get up to $90 in additional tax relief. This brings Ontario's total tax credits to $268 for low-income families and to $368 for needy pensioners.

On top of this, Ontario's guaranteed annual income system, GAINS, constitutes a major action to decrease the effects of inflation on our poorer citizens. This Ontario initiative will supplement the income of single pensioners and disabled persons by up to $300 per year, and by $800 per year for pensioner couples. This directly assists 311,000 people in Ontario by raising their total income to a guaranteed minimum of $50 per week for single persons and $100 per week for married couples.

Interjections by hon. members.

Mr. R. F. Nixon: As a matter of fact, I think you are a dum-dum.

Hon. Mr. White: In summary then—

Mr. R. F. Nixon: That's a cheap politician in the Treasurer's chair.

Hon. Mr. White: In summary then, the Ontario plan is to deliver much higher benefits against inflation to low-income people, while at the same time keeping its total spending growth within responsible limits and reducing outstanding public debt.

Interjections by hon. members.

Mr. R. F. Nixon: This is a complete travesty of responsibility.

Hon. Mr. White: The new federal budget may or may not prove to be politically popular; in my view it is a financial failure in the fight against inflation.

Mr. Lewis: Turn it upside down; it reads much better.

Interjections by hon. members.

Mr. Sargent: Call that a statement?

Mr. Lewis: That was better than most ministerial statements.

Mr. R. F. Nixon: That statement was written with a blunt banana.

Mr. Speaker: Oral questions.

The hon. Leader of the Opposition.

FUNDS FOR HOUSING

Mr. R. F. Nixon: I would like to ask the Minister of Housing if he can tell the members of the House how hard he tried to persuade his cabinet colleagues, particularly the Treasurer, to maintain that $95 million that was voted the year before in support of Ontario Housing for the purchase of land, which is not necessarily needed for that purpose this year but which is surely needed to service land and to make the so-called action housing programme have some action.

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, I didn't try to persuade the Treasurer or the Chairman of Management Board at all. The money was in last year for the purchase of north Pickering lands; the purchases having been completed, there is no need to buy them twice.

Mr. R. F. Nixon: Wouldn't the minister agree that his so-called action housing programme, being funded with $19 million, is seen to be thoroughly inadequate presently, and without additional funding will be seen to be inadequate for the future as well?

Hon. Mr. Handleman: Mr. Speaker, our forecast indicates that it is in fact completely adequate for the purposes we have in mind. The housing action programme does not encompass the entire Province of Ontario but certain discreet areas which have been designated.

Mr. Lewis: A supplementary if I may: Of the $4.3 million which is budgeted for the housing action programme as housing incentive grants, what percentage does that constitute in relation to federal moneys which the ministry would have under the same plan? How many houses does the minister expect to see built for a provincial component of $4.3 million?

Hon. Mr. Handleman: Mr. Speaker, it seems to me we are getting into a discussion of the estimates.

Mr. Lewis: No we are not.

Hon. Mr. Handleman: The proper place for discussion of the estimates is in the examination of the estimates. I don't understand the hon. member's question as it relates to the federal participation.

Mr. Lewis: Is there no federal support of the programme?

Hon. Mr. Handleman: They are not involved in the housing action programme, that's a completely provincial programme.

Mr. Lewis: Would the minister answer the second part of the question, please? How many homes does he expect to build for $4.3 million by way of an incentive grant?

Hon. Mr. Handleman: Mr. Speaker, neither I nor my ministry expects to build any houses. The houses are going to be built by the private sector. The money in the fund is for municipal incentive grants to offset any tax increases.

Mr. R. F. Nixon: Supplementary: I would like to ask the minister to state to the House that he is thoroughly satisfied with the funding of all the programmes that come under his jurisdiction, and that additional funding could not in his view have speeded up the provision of serviced land and additional housing in this province.

Hon. Mr. Handleman: Mr. Speaker, I suppose no minister is ever completely satisfied with the amount of money—

Mr. R. F. Nixon: The minister could have had another $100 million.

Hon. Mr. Handleman: —that is in his budget. However, I do believe that the amount of money in the budget is sufficient for us to carry out the programmes which we contemplate this year.

Mr. Lewis: Mr. Speaker, on a supplementary, I am not getting an answer to the question. I would like one. The Treasurer put the $4.3 million in the budget as an incentive to the building of houses. Now what does

the minister expect by way of the number of houses for this $4.3 million?

Hon. Mr. Handleman: Mr. Speaker, as I said before, that's an examination of the estimates. We feel that in the housing action facilitating fund, there is sufficient funding to promote the building of houses in the housing action area.

Mr. Lewis: How many?

Hon. Mr. Handleman: We don't know until the municipalities come along.

Mr. Lewis: Then why this figure?

Mr. T. P. Reid (Rainy River): How can the minister come up with a programme when he doesn't know that?

Mr. Speaker: Order.

Mr. R. F. Nixon: I have a question of the Minister of Consumer and Commercial Relations, if the hon. NDP member would let him take part.

Interjection by an hon. member.

ALCOHOLISM

Mr. R. F. Nixon: Thank you. I wonder if the minister is as concerned as many citizens are with recent reports indicating the tremendous increase in the use of alcoholic beverages in the province and particularly the increase in the incidence of alcoholism? And is he undertaking any policy initiatives which would involve this province and the surrounding provincial and state jurisdictions in an attempt at least to reduce, if not abolish, advertising for liquor and beer?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Firstly, Mr. Speaker, yes, I am concerned about it. Both liquor boards are concerned about it. Various groups have made representations to me. One would have to be completely blind to the problems that have been described if one said he was not concerned about it.

One matter that does cause me some area of concern is the statistics themselves, in that we don't know how many more youngsters are driving—and I say youngsters in terms of young people between 18 and 21—compared to the previous periods against which fatal statistics are compared. In any event, I think the leader of the Liberal Party would agree that any traffic death involving alcohol is one too many.

Insofar as to whether there is any programme devised, we have had discussions with the advertising industry on an informal basis, and I have been the recipient of many letters from individual people and groups requesting government legislation that liquor advertising be completely banned. This, I suggest, is unreasonable in that the figures that have been produced to me would indicate, particularly in border areas—and I will use my own area and right around through Hamilton and Toronto as an example—that people's TV viewing habits would appear to be such that they watch US stations as much as about 56 to 58 per cent of the time, as I recollect the statistics. If we put a ban on liquor advertising within the province, I am sure a good deal of it would flow back to us through those US outlets and also in publications.

It would appear that the matter can only be resolved by educational programmes, which is a big undertaking for any group to commence; but it would seem that it has to be educational programmes that can draw to the attention of that particular group, namely, the younger group, the seriousness of drinking and driving, and the seriousness of overconsumption of alcohol regardless of your activity.

I should point out that I have received a number of letters from people who have complained about distilleries advertising on television. The distillery industry in this province a number of years ago agreed voluntarily to withhold that type of advertising and one does not view distillery advertising on Canadian television stations in Ontario. It's an area of concern and I certainly don't treat it lightly.

Mr. R. F. Nixon: A supplementary: Wouldn't the minister agree that the same problems presented themselves when many people felt that tobacco advertising should be banned? For that reason would he not see some validity in the suggestion that he, as the responsible minister in this jurisdiction, convene some sort of a conference involving these surrounding jurisdictions so that at least an approach to control and, I would hope, outright banning of advertising would go across these boundaries which the minister has very properly said would make it impossible for a single jurisdiction to accomplish a ban? Wouldn't the minister further accept the fact that if there is validity in banning tobacco advertising, there is just as much, if not more, validity in banning advertising

leading to an increase in the consumption of liquor and beer?

Hon. Mr. Clement: Mr. Speaker, I wish I could come to that conclusion because we might be able to resolve a number of issues. It has, unfortunately, been the experience in those jurisdictions where tobacco has been banned by law that the consumption of tobacco has not decreased but, in fact, has increased. Whether that increase has anything to do with the ban or just the natural aging of various groups and their having the economic wherewithal to purchase tobacco, I don't know.

Mr. R. F. Nixon: Population increase.

Hon. Mr. Clement: If banning it showed a marked decrease I would think that would have to be considered, but unfortunately the experience has been just the reverse.

Mr. Shulman: Would the minister consider diverting a fixed percentage of the income his government makes every year from alcohol to the treatment of alcoholism through places like the Addiction Research Foundation? The government is giving less than a half of one per cent now.

Hon. Mr. Clement: Mr. Speaker, I understand it is the policy of this government and its predecessors and other governments at other levels not to earmark a portion of any particular type of revenue for a particular programme but to sponsor those programmes out of the general revenues of the province. It might well be that the grants given to those groups, which are bona fide and concerned about this, might well be increased. I can't make that statement. It is not within my purview.

The liquor commissioners across Canada are meeting in June this year and will be discussing the question of advertising as it relates interprovincially.

I should point out—I forgot this in speaking to the leader of the Liberal Party—that my colleague the Minister of Health (Mr. Miller) and his predecessor (Mr. Potter), have the matter under review at the present time before the policy field in terms of the consumption of alcohol which is causing problems to a certain sector of the people in this province.

Mr. MacDonald: A supplementary, Mr. Speaker: Would this minister consider a proposition which has been presented to the House for the last 10 years, of a disincentive for advertising of liquor which would involve a contribution of $1 to a fund for the purposes of coping with the social problems to match every dollar used in advertising by the industry?

Mr. M. Cassidy (Ottawa Centre): And for smoking, too.

Hon. Mr. Clement: Mr. Speaker, I would consider any proposition that was validly made and framed. I have considered a number of them. Some of the distilleries, as the member knows, have embarked on campaigns of temperance and this sort of thing in terms of their own products. The distilleries are concerned about it because, I would think, of the problems which can be created. The cost of alcoholism is very difficult to measure. We can measure road accidents but we can't really measure absenteeism and those kinds of problems which flow from the abuse of alcohol.

Mr. Speaker: The Leader of the Opposition.

Mr. MacDonald: A final supplementary, Mr. Speaker: Would the minister consider this proposition, which is in the record of Hansard from, literally the year 1968?

Mr. Lewis: All of these things are in Hansard.

Hon. Mr. Clement: Yes; as I said, Mr. Speaker, I would consider any such proposal.

Mr. Speaker: The Leader of the Opposition.

ALGONQUIN PARK YOUTH CAMP

Mr. R. F. Nixon: I would like to ask the Minister of Natural Resources if he has completed plans to establish a camp for underprivileged children this summer in Algonquin Park and whether or not these plans have been completed? Rather than putting the underprivileged children from Toronto and other urban areas in one centre, did the minister consider giving them the alternative of being distributed or having access to the young peoples' camps at present operating across the province with governmental assistance?

Hon. L. Bernier (Minister of National Resources): Yes, Mr. Speaker, I think it is fair to say we have considered a number of alternatives. After a thorough review of all such ideas which came to us we felt it was more practical to develop a camp such as we are doing in the Algonquin Park area. Our plans are well advanced and I am sure

they will be discussed in the examination of my estimates when we start this afternoon.

Mr. R. F. Nixon: A supplementary—and the point about the estimates is well taken—I would simply like to ask the minister further: Is he not concerned about the possible bad effects—or at least, let's say, the less than best effects—of putting all the underprivileged children available to take advantage of the programme, which is excellent in concept, in one area, rather than distributing them, without so earmarking them, through the camping facilities that are already available in the province and underutilized?

Hon. Mr. Bernier: Mr. Speaker, we considered this very, very carefully and I think the underprivileged aspect may be overemphasized. We are going to ask the assistance of the Ministry of Community and Social Services in picking the various children who will be coming, mainly from the urban areas, who maybe do not have the financial wherewithal to attend the other camps. We don't see any of the problems to which the Leader of the Opposition refers.

Mr. Cassidy: Supplementary, Mr. Speaker: Can the minister report on the progress of the master plan for the park, and will that plan be published and be available, in the Legislature and publicly, at the time the legislation for the Algonquin Forest Authority is brought forward?

Hon. Mr. Bernier: Yes, Mr. Speaker, that master plan is completed. It has gone to press and I am hopeful it will be available before the AFA legislation is presented to the Legislature.

Mr. Lewis: Supplementary: Am I right in thinking that the camp the minister has in mind will be for 56 children?

Hon. Mr. Bernier: There are four such groups coming into the camp, Mr. Speaker, and they will be in groups of 50 to 60. We are estimating about 250 to 300 children will go through the camp through the summer.

Mr. Speaker: The hon. Leader of the Opposition.

LIQUOR LICENCE ACTIVITIES

Mr. R. F. Nixon: I'd just like to ask a final question of the Minister of Consumer and Commercial Relations. Is he the John T. Clement listed under licence activities for the week ending May 4, 1974, by the Liquor Licence Board of Ontario in a transfer of the ownership or the control of something called Texas Steak House Tavern in Niagara Falls?

An hon. member: He's a Texan.

Hon. Mr. Clement: I can't believe that the leader of this party is asking me that question, Mr. Speaker. I always look over there for those kinds of questions.

Mr. Roy: Just answer the question.

Mr. R. F. Nixon: I am just interested in the minister's ancillary activities.

Hon. Mr. Clement: Yes, the answer to that is affirmative.

Mr. J. R. Breithaupt (Kitchener): Does that mean yes?

Mr. R. F. Nixon: Could the minister indicate what the nature of the transfer is, and doesn't he feel that his involvement in this is just a teensy conflict of interest?

Hon. Mr. Clement: Well, we don't have teensy conflicts of interest, Mr. Speaker.

Mr. Roy: That is embarrassing. We don't want to embarrass the minister.

Hon. Mr. Clement: I think the House might pick up some investment advice if I describe to the House, Mr. Speaker, how one gets involved in a rather large multinational corporate venture such as this.

Mr. Breithaupt: The Treasurer knows all about that now.

Hon. Mr. Clement: The first thing you do is you lend your client some money, Mr. Speaker.

Mr. Sargent: Does the member want to hear the big one? Have the minister tell us about Labatt's, Mr. Speaker.

Hon. Mr. Clement: —to secure your loan you take shares in a private company. Then when you are made the minister, you sell those shares back to that particular person. The report in the liquor licence activities for the week ended April 4—or whatever week it is—is in error. It was drawn to my attention this morning that there is something referring to 75 per cent. I had a 25 per cent interest in that particular establishment, which I sold out, about two years ago last August I think it was, but I didn't receive the funds until rather recently.

Mr. Reid: We will hold a tag day for the minister.

Hon. Mr. Clement: I was to notify the board when the funds had been paid, and I

did notify them when the funds had been paid. Then just to add a tear of regret, I took those funds and added some more to them and paid my income tax a week ago Sunday.

Mr. Lewis: Is the minister's conscience clear?

Mr. Shulman: We are going to give the minister a rough time at the hearings.

Mr. Speaker: The hon. Leader of the Opposition? The hon. member for Scarborough West.

HOME PROGRAMME

Mr. Lewis: May I ask the Minister of Housing, how does he expect to improve on the HOME plan when the amount of money budgeted under the Ontario Mortgage Corp. in 1974-1975 is exactly the same as the amount budgeted for that purpose in 1973-1974?

Hon. Mr. Handleman: Mr. Speaker, first of all, we expect to improve completely on the HOME plan over the 1,500 units that were produced last year to approximately 6,000, all things being equal. We also expect that there will be some funds available by a merger of the HOME and the AHOP programme, which is a federal programme that is not working in any of the large urban centres in Ontario. The proposition was made to Mr. Basford about 10 days ago and, yesterday's events and the coming events aside, we expect to have an answer. We think it's a reasonable proposition; this money is not being put to work in the urban areas and with the doubling of the money, we certainly expect to have increased activity.

As well as our $75 million the federal government has approximately $80 million in AHOP which is not being put to work. We think putting the two together can have a very beneficial effect on the volume of activity under the HOME plan and the AHOP plans.

Mr. Lewis: Am I right in thinking that it's really $69 million and $6 million was transferred from the community integrated housing programme and that the $69 million is exactly the same as last year? Could the minister not have budgeted himself increased amounts of money for housing under the HOME plan rather than relying on federal money which may never be available? It hasn't been available in the past.

Hon. Mr. Handleman: Mr. Speaker, at the outset of my reply to the original question, I did say we felt that $75 million was adequate for the construction programme being planned for this year; that $75 million is sufficient.

Mr. Cassidy: A supplementary, Mr. Speaker: Does the minister therefore expect that a doubling of the money will allow him to quadruple the HOME plan? If that's so, does that mean he is going to halve the cost of the HOME houses or will they not be increasing in price as he announced the other day?

Hon. Mr. Handleman: Mr. Speaker, I don't believe the member understands what a merger of the HOME and AHOP programmes would involve. It would involve the HOME plan in encompassing those areas which it does not now cover—but which AHOP does cover—and, of course, it would involve AHOP coming into the HOME plan. Taking the two things together, the HOME plan would have to be revised to take into account such things as the purchase of existing homes, and going deeper into the income scale which AHOP does permit, except that the price ceilings don't permit it to work. Putting the two together would have an expansion effect on the HOME programme and we might very well be able to build more houses if serviced land became available at reasonable prices.

Mr. Cassidy: A further supplementary, Mr. Speaker: I still don't understand, really, and perhaps the minister can explain—how can he quadruple the number of HOME houses coming on to the market if he only doubles the amount of money available? If he is doubling the amount and trying to quadruple the plan, is this not another example of housing by headlines?

Hon. Mr. Handleman: Mr. Speaker, we said we would quadruple the HOME programme over last year's home production. If the hon. member had been listening to the announcement I made a few days ago, he would have realized that one of the reasons the HOME programme did not work as well as it should have last year was because of a number of restrictions, which we have now revised. The revised programme will enable us, without any federal help, to quadruple our own production; with federal assistance we can expand the programme and improve it.

Mr. Lewis: May I ask the Minister of Housing another question? How is it that he has increased the amount of money for the Ontario housing programme by only $5.5 million over two years—barely keeping pace with the inflationary rise, if that—and there-

fore is obviously using no more public money in the provision of geared-to-income housing?

Hon. Mr. Handleman: Mr. Speaker, I am beginning to believe that we are having an estimates debate in the question period and in my view it is not the proper place for it. The member will have full opportunity to debate my estimates when they go to committee.

Mr. Lewis: I must say the minister tabled this document yesterday and we now have a right to ask not specifics, but questions on it. The Speaker will rule me out of order if he wishes but I would like the minister to explain how he can have any more significant increase in housing in Ontario, given the inflationary costs, when he is budgeting what amounts to be less overall, given the inflation, in 1974-1975 than he budgeted in 1972-1973?

Hon. Mr. Handleman: Mr. Speaker, I would have to examine the estimates to determine whether the member's assumption is accurate. In my view, there is an increase. There has been a certain number of transfers and we have eliminated the north Pickering purchases which we no longer require.

Mr. Lewis: That is all aside.

Hon. Mr. Handleman: In our view the budget is sufficient to carry out the programme we have in mind. I am prepared to answer any detailed questions during the examination of the estimates.

Mr. Lewis: All right. One last question of the Minister of Housing. On the face of it, the $4.3 million for the housing incentive grants will build 172 additional homes. If that figure is wrong, would he kindly tell us how many additional homes he expects to flow from that $4.3 million?

Hon. Mr. Handleman: Mr. Speaker, I think the $4.3 million the member refers to is part of the housing action facilitating funds. It is to be used as per-unit grants to municipalities, a table of which has been announced—it has been widely publicized—averaging about $500. I think if one divides $4 million by 500, one will get some idea at least of the minimum number of lots we expect to open up.

Mr. Lewis: Lots, that is it.

Hon. Mr. Handleman: Lots, that's all it is.

Mr. Cassidy: A supplementary, Mr. Speaker: According to the minister's figures a maximum of 8,000 lots will flow out of that particular housing incentives programme. How does that square with the 40,000 or 50,000 additional lots which government people have talked about for the next two years?

Hon. Mr. Handleman: Mr. Speaker, we are only talking about one year in the estimates. The hon. member has not looked at the second line in the housing action facilitating fund which is used to develop other lots. We confidently expect there will be a substantial increase over the normal production of houses in the province this year.

TAXES ON MINING INDUSTRY

Mr. Lewis: A question of the provincial Treasurer, if I may, Mr. Speaker. Can I ask the provincial Treasurer, in light of the federal budget last night would he now consider eliminating unearned depletion in the mining resources sector reducing the earned depletion rates and changing the 100 per cent writeoff in exploration and development to the 30 per cent level which the federal government is pursuing?

Hon. Mr. White: Mr. Speaker, a number of the federal changes, if enacted, would bear on our expected amendments. I have no confidence, however, that the proposed changes in the federal budget will be enacted.

Mr. Roy: Don't bet on it.

Hon. Mr. White: And I have an idea that when the next government is formed by Mr. Stanfield, many of these measures will fall by the wayside.

Mr. Breithaupt: And so will this government!

Hon. Mr. White: Therefore, I am not prepared to guess about our future actions at the present time.

Mr. Cassidy: And the ripoff continues!

Mr. Lewis: Since the Treasurer felt confident enough about it to use a ministerial statement at length, can I ask if this government will occupy the tax room vacated by the federal government in the mineral resource industry, should it have that opportunity?

Mr. V. M. Singer (Downsview): The Premier (Mr. Davis) is trying to keep the Treasurer quiet.

Hon. Mr. White: Well, we're certainly examining all possibilities in the light of the

budget. However, we wouldn't attempt to make a decision until we see the progress of that budget.

DENTAL CARE FOR CHILDREN

Mr. Lewis: A question, if I may, of the Minister of Health. Now that the provinces of Saskatchewan and Quebec have worked out dental health programmes for those under six and seven years of age respectively, does he have such a programme seriously under consideration for Ontario?

Hon. F. S. Miller (Minister of Health): Yes, Mr. Speaker.

Mr. Lewis: Can the minister indicate to us any of the cost factors and what the age level will be? I presume he will say he will introduce it in the fullness of time, but are there any ages or cost factors he has in mind?

Mr. E. W. Martel (Sudbury East): In the fullness of time.

Hon. Mr. Miller: Well, we've been investigating lots of ways of providing dental care and other necessary components of our system that are not covered by insurance at present. I don't have specific figures, although I realize from those that I saw that the plan's cost increases very rapidly as it grows with the age of the population. If one starts, for example, with those in the population aged six and under, which I understand is about an ideal age for beginning, the cost is relatively modest; it's in the order of $10 million to $20 million a year.

Mr. Lewis: Is that so?

Hon. Mr. Miller: It escalates then very quickly in two or three years to $60 million or $70 million per year as that age group gets older and remains within the umbrella. And it can escalate to $200 million or $300 million a year. No one is sure how much, because while expenditures for dental care in Ontario probably are in the range of $150 million a year today, that doesn't by any means indicate that would be the total requirement of the population under an insured plan.

Mr. Cassidy: So the minister feels it's better to let the kid's teeth rot.

Mr. R. F. Nixon: A supplementary, Mr. Speaker—

Mr. Speaker: A supplementary?

Mr. R. F. Nixon: I'd like to ask the minister, in his concern about the escalation of the cost, is he giving further consideration to bringing in the paradental aspect, such as the denturists, and enabling them to practise—at least in this case to provide dentures at a lower cost than is available from the dentist, particularly since the programme is apparently unastisfactory in the view of the Premier?

Hon. Mr. Miller: Mr. Speaker, we are very carefully giving consideration to this. I think I'll be in a position to make a definite decision very shortly.

Mr. R. F. Nixon: How about today?

Hon. Mr. Miller: Very shortly.

Mr. Breithaupt: How about today?

Hon. Mr. Miller: As to the utilization of other people within the allied health field in dentistry, we've had discussions with the college and with other agencies for a better training programme and a better classification of skills. I think this will take some time to materialize, but it's on the way.

Mr. E. J. Bounsall (Windsor West): A supplementary, Mr. Speaker—

Mr. Speaker: Yes.

Mr. Bounsall: Can we assume from what the minister has said about the cost of such a programme and its escalation, that it's going to be based primarily on a repair basis and some sort of fee for service, rather than on a preventive dentistry programme?

Hon. Mr. Miller: I don't think one should jump to such conclusions, Mr. Speaker, either that it's a fee for service or that it is on a repair basis. One of the facts that's been openly discussed in this area is the need for greater fluoridation, for example, on a preventive basis to make the plan economically feasible. There are different methods of delivering the care, and they are all open; that's why we're not prepared at this point in time to come forward with a policy.

Mr. Lewis: One last supplementary question of the minister: Does he think that in terms of ordering the government's social priorities, using his figures of $10 million to $20 million for all of those under the age of six, that that money would be better invested to provide dental care for everyone under the age of six in Ontario, rather than to pay the inflationary costs of the Krauss-Maffei system?

Hon. Mr. Miller: Well, Mr. Speaker, I can hardly say that is either-or. Within our ministry we are studying these matters, and I think that I have to remain within the confines of the authority I have.

Mr. Lewis: The minister is a very modest man.

Mr. Speaker: The hon Minister of the Environment has the answer to a question asked previously.

ALLEGED AIR POLLUTION IN ETOBICOKE

Hon. W. Newman (Minister of the Environment): Mr. Speaker, the member for Etobicoke requested information on Friday, May 3, regarding pollution from two companies in Rexdale, Continuous Colour Coat Ltd. and Canadian Lukens Ltd.

Continuous Colour Coat has a long history of citizen complaints and orders from my ministry. In October, 1971, the company was ordered by this ministry to install fume incineration equipment to resolve the problem. The installation was completed as required but the complaints continued. Further investigation has indicated the company was not operating the equipment conscientiously. In addition, low-level sources which previously had not been detected were also identified and corrective action required of the company.

In September, 1972, court charges were laid by the ministry and in April, 1973, a conviction obtained for violation of the Environmental Protection Act, 1971. The company appealed this conviction on grounds of the constitutionality of the Environmental Protection Act, 1971. This appeal was heard in court last week and the court has reserved judgement. Additional charges are pending against the company.

In addition, the company has recently taken steps to reduce the low level odour sources. Increased surveillance by my ministry to evaluate the result of these changes has been started. Further violations will be considered for prosecution.

With respect to Canadian Lukens Ltd., this has been a long-standing noise problem in the community. In March, 1974, the newly formed noise pollution control section undertook a survey which indicated that the noise level exceeds the levels in legislation under consideration. The company was advised of the situation in a letter of April 3, 1974, advising that abatement measures were required to control noise from the operations. The company has responded by indicating that many of the sources of the problem have been reduced. Further noise measurements are to be undertaken to determine whether additional measures are required.

Members will see from this that we have attempted to resolve these problems as quickly as possible.

Mr. L. A. Braithwaite (Etobicoke): A supplementary, Mr. Speaker: May I ask the minister if the appeal of Continuous Colour Coat is successful, perhaps on technical grounds, is his ministry prepared to launch a further legal suit against the company in order that this problem, the odours, etc., from this company, be stopped?

Hon. W. Newman: I am prepared to wait until the judgement is handed down and see what the judgement is on the matter. The company was prosecuted and we are now waiting for the judgement to come down.

Mr. Speaker: The member for Grey-Bruce is next.

Mr. Sargent: Mr. Speaker, I would like to have some dialogue with "smiling Bill" there. This question is so important—

Mr. Speaker: Order, please. I don't think the hon. member should use that term of reference to the Premier of this province.

Mr. Reid: How do you know who he was talking to?

Mr. Speaker: Because the Premier was smiling.

Mr. Roy: Just call him Bill.

Mr. Ruston: There are a lot of Bills over there.

Mr. Roy: That's "wild Bill" there.

HOSPITAL IN OWEN SOUND

Mr. Sargent: I am awaiting the report with regard to the serious situation in the Owen Sound hospital. The scuttlebutt around Owen Sound is that the Premier has made a statement that as long as I am the member for Grey-Bruce Owen Sound will never get a new hospital. The Premier's statement is that these hospitals are awarded only on a need basis and not a political basis.

I am very concerned and I am asking this. Would the Premier consider offering the

services of the government to allow us in our area to redirect our finances, such as postponing the road project in South Grey, etc., and let us have our hospital on a priority basis? In other words, if the Premier will not recognize the seriousness of our situation—our halls are full of beds—we are the main hospital in the area—

Mr. P. J. Yakabuski (Renfrew South): Question.

Mr. MacDonald: Question.

Mr. Sargent: In other words, the question is—and I have not had the report yet—will the government allow us to approach the different levels of government to redirect our finances from this government on a priority basis to build a new hospital?

Mr. Shulman: If the member resigns will the government give him a new hospital?

Hon. W. G. Davis (Premier): The member for High Park asked the member for Grey-Bruce a question. He can answer it. I can only say, Mr. Speaker, in reply—

Mr. Sargent: I would gladly resign my seat if the government would give us a new hospital.

Mr. Roy: Now the Premier is on the spot.

Interjections by hon. members.

Mr. J. E. Stokes (Thunder Bay): How can he refuse?

Mr. Lewis: That is the lowest price he will ever get.

Mr. MacDonald: He will never get a better bargain.

Mr. Speaker: Order.

Interjections by hon. members.

Mr. Lewis: We will share the cost. I will speak to the member for High Park.

Mr. Speaker: Order, please. Perhaps the Premier would like to take the question as notice?

Hon. D. R. Timbrell (Minister without Portfolio): Is it okay if we take up a collection?

Hon. Mr. Davis: Mr. Speaker, it's quite obvious that the hon. member's suggestion has some support amongst his own colleagues and others.

Mr. Sargent: I'll buy that.

Mr. J. E. Bullbrook (Sarnia): Just another by-election.

Hon. Mr. Davis: However, I must say to the hon. member, while I appreciate the generosity of his suggestion—

Mr. R. F. Nixon: When did the government last win a by-election?

Hon. Mr. Davis: —I really am not prepared to take him up on that. I would also observe that any observations that he may have heard as to his being a member in that area is the reason for the problem of the Owen Sound Hospital, to the extent there is a problem, are completely without foundation. I may express some personal points of view from time to time but, by and large, they have been very constructive in nature. When I refer to the members opposite, I may some days question the credibility of the mathematics they use.

Mr. Roy: Is the Premier backing off?

Mr. Sargent: We're not talking about that.

Hon. Mr. Davis: I may question the irrational positions that he takes from time to time, but I want to assure the member for Grey-Bruce—

Mr. Sargent: I am talking about the hospital.

Hon. Mr. Davis: —that on no occasion have I said, nor has anybody on this side of the House ever said, that something will or will not be done in an opposition member's riding as it relates to that member himself. That has never been done in my memory in this Legislature. I just want to assure the member for Grey-Bruce that that is factually not the case. As far as my undertaking the other day goes, I said to the member for Grey-Bruce that I would personally take a look at it and I'm in the process.

An hon. member: If the member for Grey-Bruce wants to resign now, don't let that discourage him.

Mr. Speaker: The hon. member for Sandwich-Riverside.

USE OF SODIUM NITRITE IN FOODS

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, I have a question of the Minister of Health. Is the minister taking any steps to persuade the federal Department of National Health and Welfare to ban sodium nitrite from various foods, such as baby foods, bacon

and frankfurters, because of the health hazard involved?

Hon. Mr. Miller: Mr. Speaker, I want a clarification. Was that sodium nitrite or nitrate?

Mr. Burr: Nitrite.

Hon. Mr. Miller: No, I can't speak from knowledge, Mr. Speaker. I'll have to check into it.

Mr. Burr: As a supplementary, Mr. Speaker: Is the minister not aware that nitrites can combine with other chemicals, either in the food or in the stomach, to form nitrosamines; that tiny amounts of nitrosamines have been found to cause cancer in every species in which they have been tested; and that it is, therefore, a matter of some urgency?

Hon. Mr. Miller: Mr. Speaker, I don't know those facts. I will be glad again to look into them. I know that sodium nitrite has been a preservative in foods for about as long as preservatives have been used. I would have thought that the federal drug agency would have looked into these possibilities and ruled upon it.

Mr. Speaker: The hon. member for Ottawa East.

HOLIDAY MAGIC

Mr. Roy: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. In the light of the fact that the Province of Quebec has warrants out under the Criminal Code against two senior officers of a company called Holiday Magic, which is an Ontario company, has he licensed this company to operate pyramid sales in this province? If not, does he intend to do so?

Hon. Mr. Clement: No, Holiday Magic has not yet received a licence. It has made application. It's pending before the registrar but we have not licensed them as of this date.

Mr. Roy: A supplementary, Mr. Speaker: In light of the fact that his own pyramid legislation states that unless a company is licensed it cannot operate in this province, how has he allowed this company to operate for two years without authorization under the Act?

Hon. Mr. Clement: Mr. Speaker, I can't recall whether it applies particularly to this company or not, but I know in certain instances that while an application was pending and we were awaiting receipt of material from the company, we had them file security with us—this is the whole gist of the legislation—in the form of letters of credit or cash, and in the event that people wished to change their mind who involved themselves in these activities, there would be a fund from which they would be reimbursed.

My recollection is that so far we have reimbursed such people to the extent of roughly $225,000; and in the most recent one, last autumn, I seized a $100,000 letter of credit from an organization—I am sure it is not this same one, but it was a similar type of organization.

Mr. Roy: Well, might I ask a final supplementary, Mr. Speaker? Just so we know where the minister is going in relation to pyramid sales companies, could he advise if he has recently licensed any of these pyramid sales companies? Secondly, does the minister plan to license Holiday Magic? And if he doesn't, does he intend to take steps, either under the Criminal Code or under the pyramid sales legislation, to force them out of business?

Hon. Mr. Clement: I don't wish to make any reference insofar as Holiday Magic is concerned because of the matter pending before the Quebec courts.

It was the opinion of the law officers of the Crown initially that prosecutions could not be successfully completed against pyramid sales organizations under the provisions of the Criminal Code. It was some two years ago that this seemed to be the opinion of the law officers at that time—

Mr. Roy: Well, they have had a conviction.

Hon. Mr. Clement: —hence, the origin here of the Pyramidic Sales Act, which came into being in June, 1972, I think. Meanwhile, there have been prosecutions in other jurisdictions within Canada under the Criminal Code which have resulted in convictions. Because of the nature of those particular prosecutions, the law officers now are hopeful that this is the route that should be followed in the event that fraud is alleged.

With reference to a particular pyramidic sales organization, a criminal trial opened here in Toronto in late December or early January, I believe. We are awaiting the disposal of that. Meanwhile, the trial has been adjourned, pending an application of some kind that is going to the Supreme Court of Canada. So we are awaiting with interest the outcome of that. In the meantime, we will issue a licence to any pyramidic sales organization that complies with our requirements—

Mr. Roy: Including Holiday Magic?

Hon. Mr. Clement: I don't wish to refer to Holiday Magic because of the pending criminal case. It might well prejudice the prosecution or defence of that case. I don't wish to discuss that one today.

Mr. Speaker: The hon. member for Windsor West.

NEGOTIATIONS ON BEHALF OF COMMUNITY COLLEGES

Mr. Bounsall: A question of the Chairman of the Management Board of Cabinet, Mr. Speaker. Can the minister assure the House that he has no objections to the community college or CAAT academic unit of the CSAO now entering into direct negotiations with the community college presidents on behalf of reaching a contract, rather than dealing through the Council of Regents, whose last and only offer was a 5½ per cent increase on salary, which is well below the cost-of-living increase?

Hon. Mr. Winkler: As long as the procedures are agreed to and the law is being obeyed, I have no objection.

Mr. Speaker: The hon. member for Windsor-Walkerville.

DAAL SPECIALTIES LTD.

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I have a question of the Minister of Industry and Tourism. Was the minister consulted or advised by the Minister of Labour (Mr. Guindon) of the proposed closing of Daal Specialties Ltd. in the city of Windsor, Daal being a subsidiary of Allied Chemical? If the minister was advised, did the minister not approach the Daal people in an attempt to have them continue their operations in the city of Windsor, since the removal of such operations means the loss of approximately 400 jobs?

Hon. C. Bennett (Minister of Industry and Tourism): Mr. Speaker, the Ministry of Labour keeps us advised of closings that have taken place or are about to take place. My ministry people, in the industrial division, and the Labour people, will attempt to meet with management and try to find some solution to the problem. Sometimes it does not rest in trying to maintain the operation of the firm but in finding new jobs for the employees who are being displaced by a closing corporation.

Mr. B. Newman: A supplementary, Mr. Speaker. Has the Ministry of Labour advised this minister that Daal contemplate closing their operations in the city of Windsor?

Hon. Mr. Bennett: Mr. Speaker, I'll have to check with my ministry people on that particular corporation.

Mr. B. Newman: Will the minister reply in the House when he has the information?

Hon. Mr. Bennett: Yes, I shall.

Mr. Speaker: The member for High Park.

OMA FEE SCHEDULE

Mr. Shulman: I have a question of the Minister of Health, Mr. Speaker.

In view of the minister's professed interest in preventive medicine, can he tell me why he has agreed to this new schedule of fees which literally "does in" the general practitioner? It reduces the payment for an examination from $15 to $10 and the $10 is to include any other tests such as Pap smears.

Hon. Mr. Miller: Mr. Speaker, I think questions on the Ontario Medical Association's fee schedule are best addressed to them.

Mr. Shulman: Did the minister not approve this schedule of fees? Did he not say, before they came out, that the extra money was primarily to go to the general practitioners when, in actual fact, that is not what is happening?

Hon. Mr. Miller: Before jumping to that conclusion, Mr. Speaker, I would like to see more facts. I understood the general practitioner was to do better. Did the office rate not go from $6 to $7?

Mr. Shulman: The office rate went from $6 to $6.70, the examination rate went from $15 to $10, and the pre-schools went from $15 to $10. That's a great raise.

Mr. Speaker: The time for oral questions has now expired.

Petitions.

Presenting reports.

Mr. Taylor from the standing administration of justice committee reported the following resolution:

RESOLVED: That supply in the following amounts and to defray the expenses of the Ministry of the Solicitor General be granted

to Her Majesty for the fiscal year ending March 31, 1975:

Ministry of the Solicitor General	
Ministry administration programme	$ 822,000
Public safety programme	9,023,000
Supervision of police forces programme	3,900,000
Ontario Provincial Police	
Administration programme	3,943,000
Criminal and general law enforcement programme	42,756,000
Traffic law enforcement programme	37,892,000

Mr. Speaker: Shall this report be received and adopted?

An hon. member: No.

Mr. Speaker: There is no motion for adoption.

Hon. J. W. Snow (Minister of Government Services): Mr. Speaker, I have had distributed today the report of the capital works programme of the Ministry of Government Services for the information of the members. We will be tabling a copy for the Clerk of the Legislature.

This, Mr. Speaker, gives the background information on the capital construction programme which will be considered during my estimates which are coming up, I understand, in a few days.

Mr. Speaker: Any further reports?

Motions.

Hon. Mr. Winkler moves that the estimates of the Management Board of Cabinet, Civil Service Commission, and Ministry of Revenue be referred to the miscellaneous estimates committee; and those of the Office of the Speaker and the Provincial Auditor to the procedural affairs committee.

Motion agreed to.

Mr. Speaker: Any further motions?

Introduction of bills.

Orders of the day.

Clerk of the House: The second order, House in committee of the whole.

LAND SPECULATION TAX ACT

House in committee on Bill 25, An Act to impose a Tax on Speculative Profits Resulting from the Disposition of Land.

Hon. A. K. Meen (Minister of Revenue): Mr. Chairman, there are a number of amendments which I have had prepared. There are not many copies. I have asked staff to deliver a copy of each of the sets, as far as we have gone today in getting our final drafts ready for debate on the matter, to at least one of the members opposite in the NDP and in the Liberal Party as well. I think, Mr. Chairman, you have a copy as well.

The very first amendment is a brief one dealing with the title, and if I may, I would like to put it before we get into the bill itself. Was there a question raised first, Mr. Chairman?

Mr. J. R. Breithaupt (Kitchener): Mr. Chairman, only that it is rather awkward to receive only one set of these amendments. We realize they were late because of other requirements, but I'm wondering if the minister could allow us at least a few moments to have further copies of these run off so that various members of the opposition parties will be able to consider them.

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman, on that point of order, I would also ask that that concession be made. There are a number of us over here—

Mr. J. A. Renwick (Riverdale): We are all interested in this bill.

Mr. Lawlor: —who are vitally interested, and it's a shame we couldn't produce more copies.

Hon. Mr. Meen: Let me just see how many more copies are available. We weren't able to get too many put together, but certainly I would be only too pleased if all hon. members who wish to participate in this debate could have copies of all the amendments.

Mr. Renwick: We would be glad to let you use our Xerox.

Mr. V. M. Singer (Downsview): Let's adjourn for 10 minutes until we all get copies, because it is unfair to try to debate this without the amendments.

Mr. A. J. Roy (Ottawa East): That's right.

Mr. M. Cassidy (Ottawa Centre): You don't have to push it through today, after all.

Hon. Mr. Meen: If other members were prepared to make their own copies in the same vein, I think we might get on with this in the meantime.

Mr. Singer: No, we can't!

Mr. J. E. Bullbrook (Sarnia): It is very complicated.

Mr. Chairman: I believe the—

Mr. Bullbrook: We have to—

Mr. Chairman: Order, please. I believe the first amendment is just a slight change—

Hon. Mr. Meen: A change of the title.

Mr. Chairman: —in the title of the bill.

Mr. Bullbrook: On the point of order, may I suggest to you most respectfully, Mr. Chairman, that we've attempted to analyse this bill, and I can assure you, sir, that any amendment that can be made perhaps will have an impact on some other section. We have to have that assurance so that we know what we are doing on this bill.

Mr. Singer: Absolutely.

Mr. Bullbrook: It is a very complex thing.

Mr. Cassidy: We already have these amendments—

Mr. Breithaupt: May I comment on that, Mr. Chairman? Now that we have sent out the one copy of the amendments that we were provided to be mimeographed, we don't have any.

Mr. Cassidy: That's right.

Mr. Singer: May I add to this particular point of order, Mr. Chairman? In delivering the first speech of the second reading debate, I asked the minister to make the amendments available to us at that time. It is absolutely impossible and unfair and undemocratic to ask us to proceed with this bill without having copies of the amendments available to all the members.

Mr. S. Lewis (Scarborough West): It is not even nice.

An hon. member: Let's adjourn.

Mr. Singer moves an adjournment for a period of 10 minutes.

Mr. Lewis: We second that.

Mr. Renwick: I second that.

Mr. Bullbrook: Absolutely.

Mr. Chairman: Well, I just wonder—

Mr. Lewis: You have a motion to adjourn for 10 minutes.

Mr. Chairman: Order, please. Just one moment, please. May I ask if there is a solution coming to this?

Hon. Mr. Meen: Mr. Chairman, I have obtained one extra copy. That leaves me one—

Mr. Cassidy: Big deal!

Hon. Mr. Meen: I wish I had more. Now if the hon. members want to adjourn while other copies are run off, that's fine; except I thought—

Mr. Chairman: To simplify matters, suppose I just suspend the operations for about 10 minutes.

Mr. Singer: All right.

Mr. Lewis: Ten minutes. Well done.

The House recessed for 10 minutes.

Mr. Chairman: I think there are some copies right here. The hon. Minister.

Hon. Mr. Meen: Mr. Chairman, before we get into the sections of the bill I have an amendment.

Hon. Mr. Meen moves that the long title of Bill 25 be struck out and the following substituted therefor: An Act to impose a Tax on Land in Respect of Certain Dispositions Affecting the Control or Ownership of Land.

Mr. Singer: Mr. Chairman.

Mr. Chairman: The member for Downsview.

Mr. Singer: Mr. Chairman, I don't think it matters what the name of the bill is—a rose by any other name would smell just about as sweet—but I wonder if the minister can tell us what the object of this is? I guess that maybe some of his advisers feel there might be some great constitutional implication in the old title and therefore have suggested a new title.

Since all of this literature has gone out, forms have been printed, permissions have been granted, all with the old title on—I have a couple in my office right now—I wonder whether those are good or whether I have to apply all over again. It seems a little confusing that we have a bill as important as the minister says this one is and we can't even figure out what it should be called.

Hon. Mr. Meen: I think, Mr. Chairman, the member would agree it is an important bill, he supported it last night in principle. In short, if he looks at section 22 in the bill he will see that the short title, which is what

would appear in the affidavits, is the Land Speculation Tax Act.

That was the title we had given it in the ministry. It was legislative counsel who put together the more elaborate title that appears on the face of the bill and at the heading of the first page.

The difficulty is a constitutional one. I agree with the member that a rose is a rose, but there still has been the suggestion, particularly from the member for Downsview, that there might be a constitutional problem involved. We don't think there is but inasmuch as we did not wish to have any appearance whatever that this was a tax with respect to profits—and that was the suggestion that some members had made when they were suggesting that possibly the federal government might have some justification for claiming this as a non-deductible item before computation of the federal income tax, either personal or corporate—it seemed to me best to make it abundantly clear by removing any wisp of evidence, even so little as in the title, by referring to this becoming a tax on land.

That's what it is. It is a tax on land in respect of certain dispositions affecting the control or ownership of land. In that sense it gets away from any element, and that's the only place where any element relative to profit shows up. In every other place it has been quite clear we are taxing the land and we are simply doing the same thing in the title.

Mr. Singer: Would the minister not agree with me that it is a cardinal rule of statutory interpretation that the courts will pay no attention either to the title, the preamble remarks or marginal notes? Really, if there is a constitutional argument, the argument revolves around what the bill says, not what its title is, not what the preamble is and not what the marginal notes may appear to indicate.

Hon. Mr. Meen: Yes, I am inclined to accept that position, but people are trying to interpret this Act and are coming to us and saying: "For goodness sake, you are even calling it a tax on profits". To avoid that, and since everybody trying to interpret this Act at this time is not a constitutional lawyer, we felt it wiser to have the title of the Act in concert with what we believe to be the law.

Mr. Renwick: There is obviously more than one problem raised by the minister's proposed amendment. In the short time we've had to look at it, we think there are three problems which the minister's amendment raises.

I think each one of them are equally important, but I'll leave it to the minister to decide which one he wants to give preeminence to.

What is the effect on the bill of the Interpretations Act when one changes the long title? It seems to me that my colleague the hon. member for Downsview, in his reference to the marginal notes and headings in the body of an Act—"shall be deemed to be inserted for convenience of reference only"—certainly does not apply to this. The long title of the bill is an integral part of the Act. It would appear to me that one can't get away from the matter that he title is an integral, definitive part of the statute which was put before us for debate; that's the first point.

The second point, of course, is the obvious constitutional problem which the minister, if I may say so, overlooked in the Land Transfer Tax Act; and the obvious constitutional problem he overlooked when this bill, in haste, was drafted. Now it seems to me that the minister's got to indicate to us whether or not the tax levied by subsection (2) of section 2 of the bill is the tax on land. It certainly doesn't say so. That refers to a particular disposition, and the results of the disposition is a change in control or ownership. There's a tax imposed by this statute in addition to the tax imposed by subsection (1) of section 2. That's the second problem that's raised.

The third problem to which I'd like my colleagues, both in this party and the Liberal Party, to address their attention, is whether or not there shouldn't be a second reading of this bill, in that the change of the long title means we are now dealing in committee of the whole House with a bill which is a new bill.

Mr. D. C. MacDonald (York South): The government got itself in the same boxes two years ago.

Mr. P. G. Givens (York-Forest Hill): That's right.

Mr. Renwick: The change in the long title is a change in the bill. It is a change in the bill to the extent that this is not the bill which we debated and on which there was a vote last night. It seems to me that perhaps we should adjourn again—

Mr. Breithaupt: Adjourn the House.

Mr. MacDonald: Adjourn the House; right.

Mr. Renwick: —until perhaps the Clerk, the Chairman of the committee and the Speaker of the House have an opportunity to determine whether or not this is the kind of change which would require us to revert to second reading.

Mr. Givens: He's right.

Mr. Renwick: Now I would be very interested in the minister's comments on those three aspects of the bill, while I casually read a little further into the Interpretation Act to find any other flaws which may come to mind as a result of this change.

Mr. Breithaupt: Perhaps, Mr. Chairman, I too could speak to this matter and refer the House to rule 43.(a). Rule 43.(a) says:

> Every bill shall be introduced upon a motion for leave for introduction and first reading, specifying the title of the bill.

Now it would appear to me, Mr. Chairman, that in this circumstance we are making an amendment which will mean that the bill whose title we have specified in the first and second readings, is not the bill that we will be able to give third reading to.

It would seem rather odd in our procedure if we were to introduce a certain bill for first and second reading, then to amend the title, and seemingly out of the blue as it were—the "blue machine" at least—be able to give a bill third reading, the title of which has not appeared when first and second readings were granted.

I think, indeed, the hon. member for Riverdale may have raised a very interesting point, particularly of procedure, in that we seem to be splitting ourselves so that on the record of the House it will appear that a certain bill has received first and second reading, and another bill has received third reading.

Mr. MacDonald: Mr. Chairman, before we go any further, may I remind you that the government and the minister have walked into this with what should be their eyes wide open. When we started second reading we asked—as we felt we were entitled to—for copies of what were then alleged to be 13 amendments. Thirteen amendments runs the serious risk of a change in the principle of the bill. And this was precisely why we asked for them. Because two years ago we had exactly this kind of situation—precisely why we ask for them because two years ago we had—

Mr. Givens: The member for Downsview suggested the way to deal with that.

Mr. MacDonald: The Speaker concluded that it was a change and it was referred back to the government; it had to be withdrawn and a new bill introduced. However, it seems to me that the point I am making, Mr. Chairman, is wholly academic, because once you have changed the name of the bill, it is a different bill, as rule 43 indicates, and therefore the argument really doesn't need to be pressed.

Mr. Renwick: Mr. Chairman.

Mr. Chairman: Order please. I think we can—

Mr. Renwick: Mr. Chairman.

Mr. Chairman: Yes?

Mr. Renwick: On this same point—

Mr. E. R. Good: (Waterloo North): Just one point, just one point.

Mr. Roy: I want to speak on the amendment.

Mr. Renwick: If I may, on the same point. Following along with what my colleague the member for Kitchener said, as well as my colleague the member for York South, I had occasion to look at the Votes and Proceedings of yesterday, in which it now appears to indicate the debate on the motion for second reading of Bill 25, An Act to Impose a Tax on Speculative Profits Resulting from the Disposition of Land, was again adjourned and then during the evening sitting the debate on the motion for second reading of Bill 25, An Act to Impose a Tax on Speculative Profits Resulting from the Disposition of Land, was again resumed, and after some time the motion was carried on the following division—I don't think it's necessary for me to read the names—and the bill was accordingly read the second time and ordered for committee of the whole House.

Now you can't have it both ways; the Votes and Proceedings are the formal record of what took place in this House, and yet there is never going to be a statute by the name that we passed at second reading last night.

Interjections by hon. members.

An hon. member: No mention of tax on land.

Mr. Chairman: Order.

Mr. Renwick: The tax on land—

Mr. Chairman: Is there further comment? The hon. minister.

Hon. Mr. Meen: Look, I can recognize a filibuster when I see it, and I think this is just because—

Some hon. members: Oh come on.

Interjections by hon. members.

Mr. MacDonald: It's not a filibuster, you are knee-deep in legislative chaos.

Hon. Mr. Meen: It is still Bill 25. You can have amendments—

Mr. Cassidy: It's a deliberate attempt to muzzle the rights of this House.

Hon. Mr. Meen: It doesn't really matter whether you are omitting sections in the bill. It becomes a different bill, in that sense, when you have any amendments at all.

Mr. Lawlor: A piece of crippling ineptitude.

Mr. Renwick: Did you hear what my colleague from York South just said?

Hon. Mr. Meen: Unless we depart, of course, from any significant sort of principle.

Mr. Renwick: He said you are knee-deep in legislative chaos.

Hon. Mr. Meen: If you are going to go this way you could say, well you can't have any amendments in committee of the whole because according to the argument made by the member for Kitchener, it's simply a different bill when you've made any change.

Mr. Renwick: That is not so.

Interjections by hon. members.

Hon. Mr. Meen: It's still Bill 25, and it will remain Bill 25 until it is otherwise disposed of by this House, by whatever name. Now for goodness' sakes—

Interjections by hon. members.

Mr. Chairman: Order, please.

Hon. Mr. Meen: If you want to filibuster, just carry on forever.

Mr. Chairman: Order please, I have listened to the arguments pro and con; in my opinion there is no change in the principle of the bill and the final—

Mr. Bullbrook: Well there is.

Mr. Roy: Could I speak to that ?

Mr. Chairman: Just one moment please; not while someone else is speaking.

I think the member for Kitchener came very close to the answer to it when he mentioned that after third reading—resolved that the bill be now entitled as in the motion—this is when the final entitling of the bill is accomplished.

Actually, in my opinion the new name for the bill doesn't change the bill; it could be just called Bill 25 or nothing or anything, as far as that goes.

Mr. MacDonald: You are openly flaunting the orders of the House.

Mr. Lawlor: That is very poor indeed.

Interjections by hon. members.

Mr. Chairman: I would say the debate should go forward; that is my ruling.

Mr. Renwick: We can challenge that ruling.

Mr. Roy: Can I speak to the amendment?

Mr. Chairman: I've made my ruling that the debate is now in order.

Mr. Good: On this point, Mr. Chairman.

Interjections by hon. members.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Chairman, surely in a matter that is so deeply concerned with a departure in tax legislation, it seems irresponsible indeed that the minister would treat the House, and you sir, in this very strange and peculiar way.

It seems to me the rules are quite clear and it would be a travesty on the responsibility that we have, not just as opposition members but your backbenchers too, that the minister would undertake to accomplish this change, and in this particular way.

I ask you, sir, to reconsider your ruling; or as my colleagues have said we'll have to challenge it.

Mr. Givens: Ring the bells.

Mr. Chairman: The member for Ottawa East.

Mr. Roy: Mr. Chairman, if I may address myself to the amendment: The approach taken by the government on this particular bill, Mr. Chairman, is typical of legislation by way of headlines, and there is very little to back it up.

There is another standing order which might well be apropos in this case. Standing order 44 says: "No bill may be introduced either in blank or in imperfect form." If there ever was a bill, Mr. Chairman, that was introduced in imperfect form, it is this bill.

Mr. Renwick: That's extremely apropos.

Mr. Roy: Yes. Including the fact that the title was wrong, the minister is proposing some 13 or 14 amendments.

Mr. Good: There are 21 pages of amendments.

Mr. Roy: There are 21 pages of amendments. If we've ever had a bill that was in imperfect form, it is this one.

But the point is simply this, Mr. Chairman, that all bills that are supposed to be passed by this House are to receive three readings, as I understand it. This bill for which we're now discussing amendments has not received first reading. This bill, An Act to Impose a Tax on Land in respect of certain Dispositions affecting the Control or Ownership of Land, has never had first reading.

Mr. Good: We've never seen it.

Mrs. M. Campbell (St. George): No.

Mr. Roy: We've never seen it before. So we say, Mr. Chairman, that the amendment as introduced by the minister is out of bounds. He should live with his arrogance when he looks at the suggestion made from this side. Surely to God—he's a lawyer and he should know better than to try to introduce legislation which is so ill-drafted, especially when the amendments come to us five minutes before we are to discuss them in substance.

I say, Mr. Chairman, that this bill should go on back to second reading.

Mr. Bullbrook: I just want to add a comment, if I might. I was reading rule 44 and I suggest to you most respectfully, Mr. Chairman, that you've not given us an opportunity. You've made your ruling before we've had an opportunity to give you the benefit of our thoughts.

They might not be so significant as to sway your mind, but let me just point out to you something peripherally touched upon by the member for York South. Rule 45 says: "Except by unanimous consent of the House, no bill shall be read for the second time until it has been printed and distributed, and so marked on the orders of the day." This bill will never have been marked on the orders of the day in compliance with the rules of this House.

Mr. R. F. Nixon: That's a fact.

Mr. Bullbrook: I suggest to you, Mr. Chairman, at no time will that bill be shown on the orders of the day in its proper form, as amended, with a proper designation in compliance with rule 45, if we're to carry on.

We don't want to exercise this out of some type of errant disregard for the rules of the House or some attempt to filibuster. We've attempted to do our homework on this but really it's a travesty to ask us to come forward today and debate a significant piece of legislation, which in effect the minister has changed essentially by changing the name of the bill. We don't want to be put in a position of having to challenge our colleague who sits as Chairman. It's not some sort of a game we're playing. We voted in this party in support of the government as a matter of principle, because we see there is essentially a good principle to be put forward.

Mr. R. F. Nixon: A tax on speculative profits.

Mr. Bullbrook: Right. But the minister has changed the principle in changing the very name and he doesn't comply with three of the rules of the Legislature itself.

Mr. Givens: Mr. Chairman, the minister made some remark about how he recognizes a filibuster when one is made. I think the minister should appreciate that the onus is being put upon him right now. It is one of the most fundamental rules of British law and British justice that a tax statute is always strictly construed and has to be so carefully brought through parliament, introduced properly, and passed properly, because it is always rigidly and strictly construed in a court of law.

The minister is running the danger that if he proceeds in this way, in putting this thing through this Legislature right now, somebody is going to attack the validity of this piece of legislation. He has hundreds of millions of dollars involved in this thing. Does he want to run the risk, after the members of the NDP have warned him and after the legal brains on this side of the Legislature have warned him of what he is embarking upon, that somebody is going to challenge the validity of this legislation in a court of law? If he wants to run this risk I'm saying he is doing this with the greatest of folly involved.

Mr. MacDonald: A bill that has never had first and second reading would be beautiful in the courts.

Mr. Givens: He is making a very serious and grave mistake. He might as well swallow his pride whole and start all over again from scratch, because as far as we on this side are concerned we're prepared to support the principle of this bill, but the way the minister is putting this thing through it is going to be a nullity. We are warning the minister in the most serious way possible that what he is doing here is going to be challenged in a court of law that is going to render this legislation a complete nullity.

An hon. member: Right, a good point.

Mr. Givens: It's going to be null and void ab initio. This is the risk that the minister is running.

Mr. Breithaupt: Mr. Chairman, I too would like—

Mr. Cassidy: I don't believe it. I really don't believe what's happening over there.

Interjections by hon. members.

Mr. Breithaupt: We wish to make a point—

Mr. Cassidy: The great Liberal flip-flop is under way again and all over a title. Little do they know how much they rock with that particular amendment.

Mr. Chairman: The member for Lakeshore.

Mr. Lawlor: Mr. Chairman, I would like to make a point. Surely there is a constitutional point; a point in parliamentary procedure. I suggest you should inform yourself as to how intrinsic titles to bills are. My opinion is that it is fundamental to the existence of the bill. Not only does a change in title alter the bill itself—make a change there and you change the purpose of the bill—but it is a double effect.

The second prong to the argument is that you wouldn't be making a change in the title if there was not a fundamental change in the whole purport, orientation and purpose of the legislation as it stands. You don't change a book called "A Guide to Fly Fishing" to "How to Perform the Art of Scuba Diving" without making some kind of change which has some practical effect out there.

Mr. Cassidy: The minister is yielding ground.

Mr. Breithaupt: Mr. Chairman, there are some things which I think particularly need saying at this point. We have had the point raised by the member for Riverdale and by myself with respect to the titling of the bill. There is an even more important point which I think should be discussed and it flows from this amendment as well.

We have had comments by the minister reported to us from time to time that there would be some particular amendments to this bill. We called for them on second reading and they were not available for good and valid reasons. We understood there were amendments in three particular areas and we were led to believe at least that these were not large amendments of substance but rather the sort of thing which could ordinarily be dealt with in the give and take of committee.

We now find, Mr. Chairman, that we already have 21 pages of amendments to a bill which is only 27 pages long, and there are many more yet to come. I do not think that tax legislation can be dealt with in this slapdash procedure. The only way we will be able to deal intelligently with the large number of amendments which the minister is bringing before us is, I believe, to see a reprinted bill with the amendments which the minister proposes. There is simply too much here to be put through this House by this committee in this kind of form.

There are many substantial changes being made, and I echo the comments of the member for York-Forest Hill that it would be prudent of the minister to bring in a new bill under the name he wishes to have for the bill and that the bill be reprinted with the large number of amendments which the government proposes so that we can do our job and deal intelligently with this vital piece of tax legislation.

Mr. Givens: We are going to make our own.

Mr. Renwick: I was really rising on a point of order, because as usual I am just a mouthpiece for my colleagues to the left. I would like the record to show that it was my colleague, the member for York South, who whispered in my ear that this bill would be invalid if this amendment passed.

Mr. Chairman: The member for Ottawa Centre.

Mr. Cassidy: Mr. Chairman, I have had a number of conversations with my colleagues about the constitutionality of the bill if the title is changed. I think the points made by this party and the Liberal Party are well taken.

However, I have to say this to the minister, that seldom has a once-great party veered so abruptly on so little pretext, given the fact that whatever—

Mr. Givens: Why is the member always worried about this party?

Mr. Cassidy: —the constitutional grounds are, the wording of the bill, what the bill does and the principle of the bill are not going to be changed. I am telling the minister that for constitutional reasons and because of the rules of the order of this House, he should not change the title of the bill.

Mr. Breithaupt: That was decided last night.

Mr. Cassidy: Okay. I am just saying the Liberal Party is preparing the ground.

Mr. Givens: Are you supporting the bill?

Mr. Cassidy: We have opposed the bill; we will continue to oppose the bill. What are you doing now? Nobody can keep up with what the Liberal Party is doing.

Interjections by hon. members.

Hon. Mr. Meen: We know where the enemy is.

Mr. Breithaupt: Sure do.

Mr. Cassidy: I want to point out, Mr. Chairman, the only conceivable reason the minister may have for changing the title of the bill would be if his advisers found some legal reasons that the words "speculative profits" should not appear in the title.

If that is the case, then clearly they would have also changed section 22, but the only amendment to section 22 in the bill was to change its number to section 24. Section 24 will read, according to the amendment: "This Act may be cited as the Land Speculation Tax Act, 1974."

I point out to the minister that quite apart from the constitutional question concerned, he will lose the support of the Liberal Party for this bill if he changes the title. That's what's going to happen.

Mr. Good: Talk for yourself.

Mr. Cassidy: Now I don't know whether you are trying to drive them into that or what. I don't know if you realize just what a massive impact you would have on them with the change of a few words. At any rate, this is not permitted by the rules, and I urge the minister to withdraw because it is clearly an insubstantial reason he has for doing it and the consequences are grave.

Mr. R. F. Nixon: That's the best speech in support of the Tories I have ever heard.

Mr. Chairman: Order, please.

Mr. Roy: I just want to say the best evidence we are sincere in this is that we have to put up with that kind of comment and still go against the bill.

Hon. Mr. Meen: I might say, Mr. Chairman, that I'm not really counting on support from any quarter on any particular section of this bill. I'm counting on the wisdom of the House to pass the bill.

Mr. MacDonald: You sound like Turner and his budget.

Mr. Cassidy: You are kicking the Liberals out of bed.

Hon. Mr. Meen: Frankly, I didn't expect any kind of opposition to this. You quite surprised me.

Mr. Renwick: Frankly?

Hon. Mr. Meen: After all, it seemed to me to be clarifying the nature of the entire bill. We aren't changing a single—

Mr. Givens: Jot or tittle.

Hon. Mr. Meen: Jot or tittle, yes; of principle in this bill.

Mr. Singer: Then leave it alone.

Hon. Mr. Meen: Now it is an interesting observation as to whether it goes to the constitutionality of it. I can't imagine that it does. Once it has been proclaimed, it is proclaimed. Then one looks at the substance of the Act, by whatever name.

Mr. Cassidy: But not if it hasn't had second reading.

Hon. Mr. Meen: I would advise the House that I am told that the Speaker says there is adequate precedent for this kind of thing, the change of the order paper to reflect the altered name when it comes before the House for third reading. There is no problem, as is envisaged, I think, by the member for Kitchener; that's not a problem. But I would suggest—

Mr. Renwick: Where is the precedent?

Hon. Mr. Meen: I don't have the precedent, and I would like to have that precedent; I would like to know what it is.

Mr. Cassidy: Why not? Just like the amendments?

Mr. R. F. Nixon: I can give you a precedent, if I may. Remember the bill to estab-

lish the Ministry of Food and Agriculture? The minister decided he didn't want "Food" first; he wanted it "Agriculture and Food."

Mr. Roy: That's right.

Mr. R. F. Nixon: There was no complaint in the House because the concept did not change, the title had been readjusted. This is certainly a different case.

Mr. Roy: That's right.

Hon. Mr. Meen: With respect, I'm grateful to the member for Brant (Mr. R. F. Nixon) for bringing that precedent to my attention. I was not in the House at that time.

Mr. Givens: He's the hon. Leader of the Opposition.

Hon. Mr. Meen: In reference to An Act to Impose a Tax on Speculative Profits resulting from the Dispositions of Land, some people—and they have not been legal types so much as people simply concerned about the way in which the tax might be applied vis-à-vis the federal income tax picture—pointed out that we were referring to profits. It seemed to me we might just clean that up by the revised title to refer to the tax on land in respect to certain dispositions affecting control of the land.

Now if the hon. members are concerned—and I think we are all concerned that we produce a bill that is the very best bill capable of going through this House—if they are concerned on this, Mr. Chairman, I think we might defer your ruling on the matter for a while and get on with the rest of the bill—

Mr. Cassidy: No, no.

Hon. Mr. Meen: I could bring this matter back to the committee at the end of the bill when we conclude the various sections.

Mr. Cassidy: No, sir.

Mr. Chairman: Perhaps I should clarify my ruling. In the first place it is not my place to rule on any constitutionality question; that's for the courts in case it should ever arise. The member for Sarnia made the point that the second reading was of a different bill. Actually the second reading yesterday, as it continued, was of the bill as printed, so that clears that away. In my opinion—

Mr. Bullbrook: I don't see how it clears that away. It is marked as in the title.

Mr. Chairman: Second reading was on the bill as printed at that time.

Hon. Mr. Meen: That's right.

Mr. Roy: But this bill here has never had second reading.

Mr. Chairman: Order, please. No. 3, I can see no change; the title does not affect the principle and the contents of the bill.

No. 4, the title is an intrinsic part of the bill and so can be amended, as the Leader of the Opposition pointed out a moment ago regarding the bill last year that referred to Agriculture and Food instead of Food and Agriculture, but which was considered as such. So that is a strong precedent.

I rule that the motion is in order and we will now proceed. Is there any further debate on it?

Mr. Renwick: We would appeal your ruling.

Mr. Chairman: Can we stack that?

Mr. Renwick: No.

Mr. Chairman: Order, please. There has been a motion proposed by Mr. Meen to change the title of Bill 25. This motion was upheld by the Chair. The Chairman's ruling was challenged.

The committee divided on the Chairman's ruling, which was upheld on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 48; the "nays" are 35.

Mr. Chairman: I declare the Chairman's ruling upheld and the motion in order.

Interjections by hon. members.

Mr. Chairman: Order, please. The hon. minister.

Hon. Mr. Meen: Mr. Chairman, I would propose that the motion which I put to you be further amended by—

Interjections by hon. members.

Mr. Lewis: What!

Hon. Mr. Meen moves that the amendment presented earlier be itself amended by changing the word "dispositions" and substituting therefor the words "speculative transactions."

Mr. Lawlor: Come on. Why don't you leave it alone?

Mr. I. Deans (Wentworth): This is just ridiculous.

Mr. Lewis: Withdraw the bill.

Mr. MacDonald: This is to keep the Liberals in the fold. Talk about indecently being in bed or an indecent invitation to stay in bed.

Mr. Chairman: Order please. Let's see what this is about.

Hon. W. G. Davis (Premier): I never have time to go to bed.

Mr. MacDonald: You ought to take a look at who is in bed with you this time.

Mr. Chairman: Order please.

Mr. Cassidy: I will see what the Liberals have got to say about it.

Mr. Bullbrook: You see the position he has put you in again.

Mr. Breithaupt: Mr. Chairman, I think there are certain things which should be said while more government members are present than is usual in committee. This kind of a tax bill and the kinds of amendments—

Mr. Cassidy: There is a great sigh of relief from the corner right now.

Mr. Breithaupt: —which are being brought forward in this way are not in the best interests of this House. You should know, Mr. Chairman—

Mr. Lewis: Mind you, they will vote for it if you press them.

Mr. Cassidy: That is right.

Mr. Breithaupt: —it is important, I believe, that the kinds of amendments being brought forward are clear and we have time to study all of these others in greater particularity, as was referred to earlier in the debate this afternoon. It seems rather sad that the minister can't even decide what the title of the bill should be.

Mr. Lewis: Just withdraw it.

Mr. Breithaupt: One would have thought, Mr. Chairman, not only with this amendment but with many others, that we would have had the opportunity to deal in a substantial and serious way with this most important piece of tax legislation. I think the approach being taken in avoiding the earlier matter of the rules of the House—at least as we saw them on this side of the House—and now even further in bringing in an amendment, brings the whole legislative process close to ridicule. We will oppose the amendment.

Interjections by hon. members.

Mr. MacDonald: You missed on that one.

Mr. Cassidy: I just want to say, Mr. Chairman—

Mr. Chairman: The member for Lakeshore.

Mr. Cassidy: I yield to your seniority.

Mr. Lawlor: Mr. Chairman, this debate is being reduced to the ludicrous now. When I came through the door this afternoon into this chamber, it was like walking right through the looking glass. At the moment we are in an Alice in Wonderland fantasy world.

It's unbelievable that you would try to make an amendment. Of course dispositions doesn't cover the range of transactions that you intend. You have a very specific definition for dispositions within the terms of your legislation.

Mr. Cassidy: Just take it out.

Mr. Lawlor: Why didn't you think of that five minutes ago? Then you have to alter that to transactions and then in order to feed a particular maw—a particularly brainless maw—you have to substitute the word speculative.

Leave it out. Forget about it. You railroaded it through a few moments ago. What's the point of this particular exercise? The parliamentary system is going to be reduced to shambles in conditions of this kind.

Mr. Cassidy: It has been.

Mr. Lawlor: Withdraw it and get on with the bill.

Mr. Bullbrook: The very point the member for Lakeshore makes is the point to which I wish to address myself. You were put in the position a moment ago, Mr. Chairman, we say this most respectfully to you, when you had to make a ruling which we reluctantly challenged. I suggest to you there was some foundation and validity in the ruling you made, but we had to challenge because we didn't believe it was an appropriate ruling.

The foundation for your ruling was that, as a matter of principle, notwithstanding the change in the nomenclature, the principle of the bill involving a tax with respect to land and the dispositions as defined in the bill were not changed. Dispositions is defined in the bill and you will not find anywhere in

this bill anything that has to do with a definition of speculative transaction.

The problem is the minister has put himself in this awkward position. I invite him to reconsider this. Bring the bill back in again, as the member for Kitchener, our House leader, suggested to you during the debate before, with your amendments included therein.

We have had the ruling now on the question of second reading. Let's go about the public business in a business-like fashion so that we can look at what the amendments say and come to some logical conclusion in connection with them.

But the fact is, Mr. Chairman—I reiterate—the fact is this, that now with this new amendment he has put you in this position: The new amendment with respect to the name of the bill has nothing to do with the dispositions that are involved in the very definition of the bill itself.

Mr. Chairman: The member for Ottawa Centre?

Mr. Cassidy: Mr. Chairman, I am sorry the Treasurer (Mr. White) has left, because I want to try and explain to the House why the bill has been brought forward at this time, and why we concluded the second reading debate yesterday. It was a deliberate attempt by the government, I would suggest, to race through with this bill during the time that the attention of he public would be focussed on what is happening in Ottawa.

Today the public press, the radio, the television are concerned with what is happening, with whether or not there will be a federal election; and the government is coming forward and abusing the process here in this Legislature—

Interjections by hon. members.

Mr. Chairman: Order please.

Mr. Cassidy: And abusing the process—

Mr. Chairman: Order please. We are dealing with an amendment.

Mr. Cassidy: If you want me to document the abuse I can tell you that for 15 or 20 minutes—

Mr. Chairman: Order please. That is not what is under discussion at the present time.

Mr. Cassidy: Pardon?

Mr. Chairman: We are discussing the amendment to the amendment.

Mr. Cassidy: Sure, and we are discussing why the amendments are so badly drafted—the amendments themselves are an abuse of the parliamentary process; the way in which they have been brought forward is an abuse of the parliamentary process.

Mr. Chairman: That is not the point that is under discussion at the present time.

Mr. Cassidy: There is a cover-up going on here, Mr. Chairman, an attempt by the government to simply put this thing through and not under public scrutiny, and it is an abuse of every party in this House.

Mr. Chairman: Order please. The member for Downsview

Mr. Singer: Mr. Chairman, what puzzles me is how the minister allowed himself to get into this position, and it really has nothing to do with a constitutional question at all. What it has to do with is a point that was raised on second reading and commented on at some length in the press, and that is whether or not the government of Canada is going to allow this tax to be an expense of doing business. Since that question has been raised, and since the minister has run circles around the answer, his best answer was: "I am told by my officials that if the rules of the game have not been changed we should be all right."

Now the hon. minister knows better than to describe it in that way. And he neglected or refused to answer whether or not he had ever taken the bill up to Ottawa and gotten a ruling from them; or even applied to the technical interpretations section; or gone to Mr. Gray or to Mr. Turner and asked them what they thought. Surely that should have been done?

Well somebody apparently has got the wind up over there and they are now worried about what rules the game is played by, and so they are fiddling about with the title. They don't even fiddle about with it consistently, because the bill came in with one title one day, we had a bit of a dust-up earlier this afternoon, and now the wise men of the Revenue Ministry have had second thoughts—and again we don't know.

Mr. R. F. Nixon: Then third thoughts.

Mr. Singer: Yes—well, we will probably have third thoughts by the time we are through.

If the minister had done what was appropriate and cleared with Ottawa what the government had in mind, then he could

have established easily what the rules of the game would be before he brought the bill in and ask this Legislature to enact it into law. What we are engaging in now is an effort to shore up an off-the-cuff comment of the minister, which was not properly researched before the bill was brought in.

I think it is foolish that the minister comes into the House so badly prepared. I can't see what he is gaining by fiddling about with the title and then talking about the rules of the game which he doesn't understand—the rules of the game which he hasn't asked the umpire about—and he is making a laughing stock of the whole legislative procedure and particularly of himself.

I would suggest, as my colleague from Sarnia mentioned a moment ago, that discretion being the better part of valour, if the minister would take his bill away, incorporate in it these amendments—and I gather we have only got half of them here; there are another 11 or 12 pages yet to come—bring it in as the bill the minister thinks he wants, and let's have a go at a clean bill brought in by an intelligent minister and considered by a reasonably intelligent Legislature.

Mr. Chairman: The hon. member for Scarborough West.

Mr. Lewis: Mr. Chairman, I agree with the member for Downsview; the minister is turning himself into a laughing stock. He will be a subject for cartoons. People will find out he exists.

I want to point out to the minister that the vote on the Chairman's ruling in this bill I think is the closest vote we have had in this parliament. It is rather interesting that this is happening around this bill.

We also want to point out to you that this bill was, in a sense, the cornerstone of the budget.

An hon. member: Right:

Mr. Lewis: That speculative land tax was the feature on the budget on which the minister was willing to hang his public reputation. And hang it he has, because the minister was revealed today for the absurdity that he is—in collective, generic terms as a government—I don't mean that in personal terms. But what is being said by the member for Sarnia and what was said by the member for Lakeshore is entirely accurate. The word "transactions" as a definable term does not exist in your legislation, so how can you put it in the title?

Mr. Chairman, you are now faced with something very serious. It is no longer a case of being a chairman who is a Tory, who sees his role as upholding the public business by impartially declaring the rights of the government. He is now faced with the real problem. The minister has got an amendment to a title which no longer reflects the principle of the bill, and the title is therefore unacceptable.

Hon. G. A. Kerr (Solicitor General): Oh nonsense.

Mr. Lewis: No! The minister has now altered it. Let him shows us where transactions are dealt with in the bill. At least dispositions were dealt with. He tried in as coarse a seductive process as was ever visited on anyone, to woo the Liberals by changing "dispositions" to "transactions."

They are not so easily wooed in this process. So what the minister should do is withdraw this bill at this point. He can't proceed with this bill now. He is just going to grind this place to a halt.

I cannot remember in the years I have been in this House any bill so totally amended in committee. There has not been another parallel. I can remember no bill which flowed from the budget – indeed which was a centrepiece of the budget – which has been so emasculated by the government subsequent to its introduction. I can remember no bill whose title had been amended twice in one afternoon—

Mr. Singer: Never been done.

Mr. Lewis: —once by design and once by incompetence. The minister told us sotto voce as he walked over here he was currying our favour. The minister was seeking our friendship—well, that was what was happening. The look of—

Interjections by hon. members.

Mr. Lewis: I understand. I understand the process—the look of feckless desperation on his face as he sidled up nudging the desk greatly. Sort of saying to the member for Riverdale "Jimmy." Every time the minister wants us, he calls us "Stevie," or "Jimmy," etc. It is the only blandishment the minister knows. He said to us "What do the hon. members really object to in the title?" He was hoping desperately, you know; his frantic needs on his visage; sweat pouring from his brow.

What kind of nonsense is this? Seeking from us in advance the kind of adoration

which would support his titular change, or something of that kind.

Mr. Givens: Titular!

Mr. Lewis: Well, look, it won't wash. He can't con us that easily. Offer us money, not a change of the title.

Interjections by hon. members.

Mr. Renwick: Offer us a share of the tax.

Mr. Lewis: Good Lord! This has really reached the reductio ad absurdum. The fact of the matter is that the sub-amendment is wrong; the principle is changing in the process of these alterations. No bill has been handled so incompetently in the last five years of this House or further back. The minister indicated to us that he could bring us a reprinted version on Thursday incorporating all of the amendments—

Hon. Mr. Meen: Maybe.

Mr. Lewis: Surely that is an intelligent way of approaching it. Just suspend it now; withdraw the bill. Don't force us into yet another vote—vote after vote—that's what we urge the minister to do.

Mr. R. F. Nixon: I hope Mr. Chairman, that we are not simply going to go into a position here where in a division of the House it will be settled in favour of the minister. He is showing his incompetence today and his back-bench supporters are squirming as he leads, or attempts to lead, the passage of the bill through the committee stage.

I would ask, Mr. Chairman, that the minister give consideration to the events we have been faced with this afternoon. He comes in with a stack of amendments but only three copies of each. He asks for a suspension while the hon. member for Windsor-Walkerville goes out and uses the Xerox machine, so that at least we can see what the minister has in mind.

There has already been sufficient said about the title changes. In my view, they jeopardize the constitutionality of the bill, and you may think that we are unduly sensitive, but certainly in my view do change the concept of the bill that was put forward for debate at second reading.

Let me just say to the minister before he entrenches himself—and this is one instance where he can't say he has nothing to do with the principle of the bill, that it belongs to the Treasurer; this is his bill—surely what he must do now, Mr. Chairman, if he is not prepared to do as was suggested by the NDP, to withdraw the whole bill and retreat humbly into some back corner, to be replaced by a new bill or by some new minister—

Mr. MacDonald: New minister.

Mr. R. F. Nixon: New minister, yes; but perhaps that is a bit much to ask. But at least he should simply stand this down for the present time, get the hon. member for Haldimand-Norfolk (Mr. Allan) to speak on the budget and tell us about things we would listen to with great interest—

Mr. Singer: Or even ask the member for Haldimand-Norfolk to rewrite the bill for you.

Mr. R. F. Nixon: —until the minister is prepared to bring in this bill in such a way that we can amend it and, hopefully, bring it forward as a bill that will tax speculative profits, which is the principle we support.

Mr. Chairman: The hon. member for York South.

Mr. MacDonald: Mr. Chairman, in speaking relatively briefly to this bill during my reply to the budget, I suggested to the House, and particularly to the members on the other side, that this bill was as misconceived and as mangled in its presentation as the energy bill.

I made a serious mistake after that. I said there wasn't enough public support behind this bill as there was behind the energy bill, and that while that one blew up in your face, this one might not.

I was wrong. This one is blowing up in your face too, because this is misconceived. This is mangled. You can't make up your mind from hour to hour what you want in the bill. I was more prophetic than I dared to believe.

Mr. Chairman: The member for York-Forest Hill.

Mr. Givens: Mr. Chairman, might I make a suggestion briefly? It may be that the minister, who I think is under pressure right now, finds it too humiliating to withdraw the bill and bring it back in another form ab initio, where he starts out with the proper title, the proper amendments and so forth. Might I suggest that somewhere in this

building, in this great administration, there resides—

An hon. member: A Liberal.

Mr. Givens: —a fulcrum or a locus of expertise of law. I would like to suggest that the government resort to the officers of the Crown for their determination as to whether this is constitutional or not.

I would like to appeal to the Attorney General (Mr. Welch)—and he's not here; there's nobody in the front row to talk to—that he refer this matter to the officers in his office who are knowledgeable in these matters for a legal determination as to who is right here.

Let them determine what gamble they want to take—or if it isn't a gamble, what determination they want to make on a legal basis—as to how this legislation should proceed, because we're obviously stuck on centre here and we don't know which way to go. We have given our legal views as to what the situation is. The members of the NDP have given their views—

Mr. Breithaupt: Here's help.

Mr. Givens: —and we are all of the opinion that what we're doing is wrong—here comes the Premier right now—and I think we should leave this matter in abeyance for 24 hours until the law officers of this government can come in here with a determination as to whether the way we're approaching it right now is right or wrong. If they then come in and give us a ruling, then we will abide on that basis.

But there's no point in having a division of the House, and dividing along party lines; that gets us nowhere. Either the thing is legally right or legally wrong. We think it's wrong. And I think that with the high-priced talent that we have, there is no use in the minister walking back and forth under the gallery and appealing to people on his staff who are trying to right the thing that has gone wrong. Actually, it's a self-serving situation because they're trying to correct something that obviously has gone off the track.

Again—and I repeat myself—we should appeal to the officers of the Crown to give us a ruling as to whether this thing is right in the way it's being proceeded with or whether it's wrong.

Mr. Lewis: How can it be right? Withdraw the bill for 24 hours.

Mr. Givens: I think that this Legislature would be willing to abide by the ruling of the officers of the Crown on the constitutionality of the way this matter is being proceeded with.

Mr. Lewis: The Premier is ready to intervene.

Mr. Singer: Mr. Chairman, I think that the suggestion should be made, now that the Premier and the Treasurer are here, since neither he nor his senior cabinet minister were here during the second reading debate, that if this is as important a piece of legislation to the government as the Treasurer appeared to think it was when he introduced his budget, then it should be taken back to the drawing board and brought in as a new whole.

I think the only way to enact a proper statute would be to present it as a reasonable package, and a reasonable package is not one that has to have its title amended twice before we even get to section one. A reasonable package is not one that has to have 21 pages of amendments.

Now that the leader of the government is here I think a quiet appeal to him—he came into the House because he's been listening to this debate over the mike.

Mr. Lewis: And he is determined to do something.

Mr. Singer: And he is determined to save face.

Mr. Lewis: I could see it in his face, the moment he walked through the door.

Mr. Singer: I would suggest that the Premier take this bill or instruct his minister to take this bill back to the drawing board and bring us in a new bill which incorporates the government's ideas, we can then proceed to a sensible logical debate on it.

Mr. Bullbrook: Eminent good sense.

Mr. Lewis: There is no indignity in that.

Mr. Chairman: The member for Ottawa East.

Mr. Roy: Mr. Chairman, just to second the remark by the member for Downsview and appeal to the Premier, you recall that we originally supported the bill in principle—a tax on profits from speculation. We have ourselves drafted what we feel are sensible and objective amendments to the bill. But surely, Mr. Premier, you must be asking yourself and looking at the minister and

asking yourself certain questions about problems with the bill when this minister, first of all, cannot even make up his mind what he is going to call the bill—and we still have 21 pages of amendments to go through.

Mr. Lewis: That's just for starters. Think of tomorrow.

Mr. Roy: That's just for starters, yes. So I would like to second the appeal of the member for Downsview, for the Premier to look at this particular question.

Mr. Breithaupt: Those are their amendments, much less ours.

Mr. Roy: We are prepared to help the Premier, but we are not prepared to be railroaded; and he should not use his majority to railroad us.

Mr. Lewis: The Premier wants their votes, but he has to woo them.

Mr. Roy: The Premier is going to make the pipeline debate look like a game of cards.

Mr. Bullbrook: The Premier doesn't have to put the chairman in that position; he really is in a difficult position.

Mr. Roy: In fact, Mr. Chairman, to the Premier—

Mr. Lewis: The Premier's budget is jinxed, one year after another—

Mr. Roy: —at stake is the reputation of a minister who is a lawyer, who has a QC behind his name, and I hope that he would show more flexibility than he has so far.

Mr. Chairman: The hon. minister.

Hon. Mr. Meen: Mr. Chairman, we did resort to the very best advice in the preparation of this bill. The suggestion by the hon. members that we haven't had that good advice is utterly false. If there is any question as to the change in the title, it stems from myself as a result of suggestions made by hon. members in the course of the debate. And as a result of people who have come to me and suggested that with the title making reference to profits, there were some doubts in their minds as to the way in which it might be treated in Ottawa with respect to the federal Income Tax Act and appropriate allowances.

Mr. Singer: Oh, talking about constitutionality, is the minister changing his thinking in mid-stream?

Hon. Mr. Meen: What I'm proposing to do in this amendment—and I had the benefit of the best legal minds when preparing the amendment—was to direct the attention of anyone who took the time to read the long title at the head of the Act to the case that the tax is imposed on land with respect to—as we had it in the title at that time—to dispositions.

Then I came to thinking, perhaps the argument stemming from the other side is that in this amendment I've removed the reference to speculation, which is really what we are getting at. We are trying to get at speculative profits or speculative gains derived through various transactions. Now we don't define "transaction" — in fact we don't use the word transaction anywhere else in the Act—

Mr. Lewis: That's right, except in the title.

Mr. Breithaupt: The point the member for Sarnia made.

Hon. Mr. Meen: It couldn't matter less. The point is that "transaction" is generic and covers the disposition after acquisition at the beginning and the disposition at the end; the differential in between, less certain allowances, is what we chose to call the profit.

Mr. Bullbrook: How does the minister know that when he doesn't define it?

Mr. Lewis: But he doesn't know that when it isn't defined.

Hon. Mr. Meen: Now what I had suggested by my amendment to the original amendment stems from the discussion here this afternoon that we could remove the word "dispositions" and insert "speculative transactions," so that it became abundantly clear in the long title that we were imposing a tax on land. And that's the constitutional matter. We are imposing a tax on land here in Ontario with respect to certain speculative transactions occurring with respect to the ownership of that land.

Mr. Roy: Which the minister didn't define in his bill.

Hon. Mr. Meen: That is precisely what this title does. It does not change the principle of the bill. The title is part of the bill, consequently, it can be subject to amendment just as though it were a section in the bill. I suggest that hon. members, if

they really are supporting the principle of this bill—as the Liberal Party in its blandishments have allowed as how they were; I'm beginning to wonder.

Interjections by hon. members.

Mr. Lewis: Last night it was intellectual integrity. Today it is expediency.

Hon. Mr. Meen: Here they are. They are busy suggesting to me that I should withdraw this bill and give them time to get it all printed and all the rest of it. They have a bunch of amendments—

Interjections by hon. members.

Mr. R. F. Nixon: At least get your amendments ready.

Hon. Mr. Meen: The amendments are available to you. Everyone's interrupting—

Mr. Chairman: Order, please.

Hon. Mr. Meen: —I am entitled to proceed and I suggest we should proceed, Mr. Chairman. We are wasting the valuable time of the House when we could be getting on with this bill.

Interjections by hon. members.

Mr. Chairman: Order please. The hon. member for Kitchener.

Mr. Breithaupt: Well, Mr. Chairman, before your ruling there are still certain things—

Mr. Lewis: What ruling? We are debating. The motion as amended.

Mr. Breithaupt: —that we require to say on this particular matter.

I don't see, first of all, how the minister can say anything but that we are in fact causing taxes to be raised here as a result of certain dispositions of land. You define the results of that disposition either to be speculative or not, depending upon the terms of the legislation that follows along in the title. We are not then, in your view, in fact trying to deal with something that isn't even defined in the Act. What we are doing is raising the taxes based on the results of your view of a certain disposition of land.

Now the minister brought in this first amendment. It was brought in here when the House resolved itself into committee at about 3 o'clock, and after that lengthy time with the bells ringing for 40 minutes, perhaps it was an hour, we suddenly are faced after that vote with a further amendment.

An hon. member: Another amendment.

Mr. Breithaupt: Now, surely the minister cannot seriously raise the point that he has had, since 4 o'clock—

Hon. Mr. Davis: He is accommodating the feelings that you expressed.

Mr. Singer: Oh come on. Save your ministry and save—

Mr. Breithaupt: —in these last 45 minutes, the benefit of the best legal views in the province as to what the title of the bill should be. I think that is even a bit much for the hon. members on this side of the House to accept.

We have seen this kind of a change being proposed. There are too many amendments in this bill, far more than the minister had adverted to when he said that there would be some particulars which would be dealt with—in three areas, I think he said it would be.

We have half the amendments before us. It would not be difficult by 8 o'clock tonight, if the minister was so minded, to have a typed copy of an amended bill on the desk of every hon. member of this House.

Heaven knows we have the statement from the Minister of Natural Resources (Mr. Bernier) who is making his remarks today. If that can be run off, surely something more important in the particular work that we are doing in the House, at least at the moment, can be run off in a short period of time. We would have something to work from and we would be able to do our job.

Mr. Lawlor: Mr. Chairman, I want to come bearing olive branches and with palm leaves around my brow and act as a peacemaker. There is one thing that always really generates a particularly hot quarrel and that is when the peacemaker intervenes.

What I would like to suggest to the minister in the resolution of the issue before us this afternoon is, and I am sure we will receive his utmost commendation on this particular point, could you please consider making just one further amendment in the title? Would you please consider putting in it the words transactions and dispositions? That kind of covers the waterfront. I would find it completely palatable. All the objections that have been taken on either one of those terms or the other would be—

Mr. Lewis: Oh, I would reject that utterly.

Interjections by hon. members.

An hon. member: Out of hand!

Mr. Lawlor: Well, I find that this debate is kind of running down. There is hardly any point in my standing here—

Hon. Mr. Meen: Come on over and join us.

Mr. Lawlor: —if you can't find a reasonable compromise—Well, I knew the peacemaker couldn't win. This is it.

Mr. Renwick: Mr. Chairman, I want to ask the minister a question about the deductibility of this tax for the purpose of federal income tax. Has the minister received any opinion with respect to its deductibility for the purposes of the Ontario corporations tax and if so, could he give us that opinion? If not, is he proposing to introduce an amendment to the Corporations Tax Act of Ontario to permit deduction of this tax?

I don't intend or suggest that I am an expert in the field of corporation tax law, but it does seem to me that the very same question with respect to its deductibility for federal tax purposes is raised by our own Corporations Tax Act. I know of nothing in the wording that I can see in the Corporations Tax Act which would permit its deductibility without an amendment. If the stated reason given by the minister for this second amendment to the long title of the bill is in some way to bolster up his argument with the federal government that it be deductible, then it would seem to me that it must be equally specious that it is deductible at the present time under the Corporations Tax Act of Ontario.

Hon. Mr. Meen: I don't think there is any question in my mind, Mr. Chairman, that it would be deductible under our Ontario Corporations Tax Act before computation of the amount of the tax payable, whether under the Act or under the regulations under that Act. We certainly would be permitting it as an allowable deduction.

Mr. Renwick: I simply say it's not a matter of grace as to whether or not you permit a deduction of a particular tax for corporation tax purposes. It's a matter of law.

Mr. Singer: Your regulating powers are law.

Mr. Renwick: It's a matter of law.

Mr. Singer: Yes.

Hon. Mr Meen: That means that the Act is wide enough.

Mr. Renwick: I do have a couple of bibles that I refer to every now and then. Gilmour's Income Tax Handbook is a recognized taxing authority. It's very clear that with respect to the deductibility of provincial taxes for federal tax purposes, you must specify them.

We had an example in the budget last night in respect of the mining taxes which are presently deductible by a specific section of the federal Income Tax Act and the regulation made thereunder. That deductibility is now going to be withdrawn, just the same as the Treasurer in his budget has decided that the mining taxes will not be deductible any longer for Ontario corporations tax purposes, and presumably that will require an amendment either to the Act or by way of regulation.

When you look through the index of Gilmour you find provisions with respect to the deductibility of foreign taxes, but you don't find anything under the heading deductibility of provincial taxes. And you must look at the specific deductibility section. I'm simply saying that unless the minister can point to the section of the Corporations Tax Act or to the section of the federal Income Tax Act under which he believes the matter to be deductible we here must assume that the question is a very nebulous one and a very real one.

Mr. MacDonald: That's right.

Mr. Renwick: That changes the complexion of the Act we debated on second reading.

Mr. Lewis: That's right.

Mr. Renwick: That means that in fact the tax that you are asking us to pass will be in the nature of a confiscatory tax.

Mr. Lewis: Worse than confiscatory.

Mr. Renwick: It's not a question of the merits.

Hon. Mr. Meen: You want to make it 100 per cent.

Mr. Lewis: But not 112.

Interjections by hon members.

Mr. Lewis: Why not draw the line at 100? We are not discouraged by your—

Mr. Renwick: I am simply pointing out to you that it's not a question of whether one would approve or disapprove of a confiscatory tax. The question is, is the tax a

confiscatory one? Because then we can address our minds to that question, and that raises significant constitutional questions as to whether or not that matter is confiscatory or not.

Mr. Chairman: This is all very interesting but it has nothing to do with the amendment.

Mr. Bullbrook: This is as a result of that amendment; it really is.

Mr. Renwick: Mr. Chairman, the minister gave as his reason, as I understand it, the question of deductibility. Surely it is open to me in this debate to discuss that question with the minister. I am simply saying to the minister, Mr. Chairman, that unless he can point to chapter and verse in the Corporations Tax Act of Ontario or of the federal Income Tax Act, then the nature of this tax is undisclosed to the Legislature.

Mr. Lewis: That is right.

Mr. Renwick: And we can't let it go that way.

Mr. Lewis: On principle!

Mr. Renwick: A 50 per cent tax, given the assumptions that are in the Treasurer's table in his budget which raises it to 61 per cent or up to 84 or whatever that matter is, that's one tax. A tax at 112 per cent or at some higher figure, if it is not deductible for federal income tax purposes or Ontario corporations tax purposes is another kind of a tax, and that's a different principle and a different objective. I think the House is entitled to know whether or not it is deductible; and whether you have made representations to the federal government or whether you are going to amend your own Corporations Tax Act.

Hon. Mr. Meen: Mr. Chairman, just very simply, we do not need to amend the Corporations Tax Act.

Mr. Renwick: What is the section?

Hon. Mr. Meen: I can't point to the section. I don't have it here with me. We are dealing with another Act. But I'm telling the hon. members that it will be deductible. As I understand it, and I'm so advised—

Mr. MacDonald: Even if you have to amend the Act.

Hon. Mr. Meen: —it is not necessary to amend our Act for any purpose of that nature.

Mr. Roy: You can't even make up your mind on the bill.

Hon. Mr. Meen: That is our intention, and that is the way the rules have been played. And as I expressed it last night on second reading, we were talking about the federal Income Tax Act and the rules that have been applied under that Act.

Mr. Renwick: Listen, you have got experts—

Mr. Lewis: Look at the shift in events, Mr. Chairman. When we were debating this bill on second reading last night, the minister indicated that he had not had any guarantee from Ottawa in terms of the deductibility.

Mr. Cassidy: That's right.

Mr. Lewis: He indicated that, of course, if it weren't deductible it would be absurd, because not only would it be a confiscatory tax, it would be at a level of something like 112 per cent and you would keep every piece of land off the market forever.

Hon. Mr. Meen: Exactly.

Mr. Lewis: All right, and he indicated that.

Now, precisely at the point we were debating here last night, the federal Minister of Finance was beginning to shift the ground, just as the provincial Treasurer has been shifting the ground, to remove the deductibility features of analogous taxes. What he did last night in terms of mining royalties obviously creates real problems for the provinces of Saskatchewan and Alberta; and, if I may argue by extension, it follows logically that this tax will not be considered deductible when computing taxable income.

Hon. Mr. Davis: He didn't mention that.

Mr. Lewis: No, as a matter of fact, that's a simple, natural extension of the process which was begun by the provincial Treasurer and reaffirmed by the federal Minister of Finance last night. Let's suppose the government is defeated at 5:45 tomorrow afternoon and there is an election called on Thursday, then you are in this incredible hiatus until July 8—well, take a look at it.

Mr. Givens: Let's wait until we know for sure.

Mr. Lewis: Never mind the outcome—

Hon. S. B. Handleman (Minister of Housing): He's still the minister.

Mr. Lewis: You are passing a bill, the essential provision of which you know nothing about.

Mr. Givens: Right.

Mr. Lewis: The bill is absurd if it is not deductible. Every piece of evidence you have suggests that it probably won't be deductible in order to compute taxable income.

Mr. Singer: That's why you are changing the title.

Mr. Lewis: So what are you doing? You are throwing the whole land and housing market into a shambles. There isn't a person around this province, from a major developer to a small house builder, who will know where the devil he stands. You can give us no guarantee. You have talked to no one. And all the evidence we have in the past 24 hours suggests that this will not be accepted. Now even you were a little concerned about it. Don't tell us you weren't concerned about it. You said to the member for Downsview you were changing the title because of worries about constitutionality. You blurted out that you were changing the title because of worries about the deductibility feature.

Mr. Singer: Right.

Mr. Lewis: Now, if you are changing the title because of concerns about deductibility for the purposes of computing taxable income, then you can't play with the title this way, because in itself it is evidence of weakness. What you are saying to the federal tax officers is, "I don't really know whether or not this should be deductible." And I will tell you, consistent with the trend in federal matters they would say this is not deductible.

What you are really presenting us with today is a bill in which you yourself have no confidence, which in fact looks as though it confiscates rather than taxes. It is ironic that a Tory government brings in confiscatory legislation without compensation. The only other person I know who wants to do that is Mel Watkins. Mel Watkins and the minister are the great confiscators.

Hon. Mr. Meen: I resent that.

Hon. Mr. Handleman: I resent that. I am his chief officer.

Mr. Chairman: Order.

Mr. Lewis: No, darn it, Mr. Chairman, I am talking to the bill. I am interspersing an occasional aside, but I am talking to the bill.

Mr. Chairman: No, we are not discussing the bill. We are discussing whether this amendment is in order, and I would like to give my ruling as soon as possible.

Mr. Bullbrook: That's what I would like to hear, whether the motion is in order.

Mr. Chairman: We are not really discussing the content at this time.

Mr. Lewis: Well, I don't care how long you want to prolong it, but I think it is important to point out the box we have been put in. The minister can't do this to the title. He can't handle it this way.

Interjection by an hon. member.

Mr. Lewis: It's too important. You can't play with the centrepiece of the budget which is turning out to do exactly what you don't want it to. It is socially destructive.

Mr. Chairman: Order please.

Mr. Lewis: It's counterproductive. You have nothing to tell us. May I say, through the Minister of Revenue to the Treasurer, why would it be wrong, what would be humiliating, what would be demeaning about it, for you simply to say, "Okay; we realize there are some problems; we've even had to amend the title twice. We've got 21 pages of amendments. We'll withdraw it until Thursday."

Mr. H. Worton (Wellington-South): Even money.

Mr. Lewis: "We'll reprint the entire bill with the amendments included, all members of the opposition can absorb it."

Mr. Roy: They'll make up their minds.

Mr. Lewis: "We'll try to get some greater sense of a deductibility."

Mr. Singer: They may even go to Ottawa and talk to Herb Gray.

Mr. Lewis: Why is it necessary to be so intractable about it? It makes very good sense. I really think you are making a mistake on the inflexibility; you are inviting a public hornet's nest. You had it on the budget last year, inadvertently. You are getting it on the budget this year. Your budgets are jinxed. The public considers them to be objects of ridicule because of the way you handle their central features. What is wrong with withdrawing it until Thursday and then

presenting us with a printed bill? Is there anything perverse about that? We don't sit tomorrow.

Mr. Roy: Do you like being minister now?

Mr. Lewis: It's a matter of 3½ hours.

Mr. Roy: Do you like being minister now?

Mr. Chairman: Any further comment? I would make a ruling as to whether or not this amendment is in order.

Hon. J. White: (Treasurer, Minister of Economics and Intergovernmental Affairs): The timing of the debate is not my responsibility; quite obviously this is for the minister and the House leader. I'd like to make one or two comments in the face of all the passion I've listened to in the last little while. We are attempting to bring land costs under control so we can house our people. The wording of the title—

Mr. Lewis: Come on. That's a red herring.

Mr. MacDonald: That objective is shoddy.

Hon. Mr. White: —is a highly technical matter.

Mr. Lewis: That's been discredited since day one.

Hon. Mr. White: I listened to you, now you listen to me. The wording of the title is a highly technical legal matter, far beyond my competence. I have no opinions.

Mr. Lewis: Maybe somebody else has.

Hon. Mr. White: Notwithstanding some of the assertions and implications here within the last half-hour, an effect is being realized. I had occasion yesterday to quote briefly from one or two real estate experts. Here today I have learned that in the month of March there were 200 properties offered for sale each day through the multiple listing system in Toronto. In the month of April there were 300 such listings per day and so far in May there have been 500 such listings per day.

Mr. R. F. Nixon: Are you trying to tell us this is because of the principle of the bill?

Hon. Mr. White: These two big taxes are completely innovative, completely novel, and they are going to be troublesome, we know. I draw your attention, Mr. Chairman, to one short paragraph in the budget statement.

Mr. Lewis: We know that paragraph.

Hon. Mr. White: It says:

> The government of Ontario recognizes that strong measures are required to curb the excessive land speculation now occurring. We are determined to proceed with firm action. At the same time we recognize that this is a complex matter and unforeseen problems may emerge in administering this new tax.

Mr. Worton: This is one of the unforeseen.

Hon. Mr. White: To continue:

> Thus during the first year of operation I envisage a series of amendments and refinements to the land speculation tax bill.

And so it is, sir. We have a number—

Mr. Cassidy: On a point of privilege, Mr. Chairman.

Interjection by hon. members.

Mr. Cassidy: On a point of order. Doesn't the minister realize that the number of listings on the MLS in Toronto rise every spring between March and May? This is perfectly normal and not due to his tax.

Interjections by hon. members.

Mr. Chairman: Order please.

An hon. member: Out of order.

An hon. member: You can't deny it.

Mr. Singer: You are not calling anybody else to order.

Hon. Mr. White: I expect it does but we have quite a lot of other evidence that this is working.

Mr. Lewis: What evidence? You don't even know what it means.

Hon. Mr. White: Conversations I have had with real estate brokers in London who say the speculation in housing and land has ended, just like that.

Mr. Lewis: I have had a lot of conversations too.

Mr. Singer: We are not talking about that now.

Mr. Roy: You mean your day in Paris?

Hon. Mr. White: Now the question—

Mr. Lewis: Just a second. What did you say—that the speculation in housing and land had ended, just like that?

Hon. Mr. White: In London, Ont., this is what I am told.

Mr. Lewis: In London, Ont. We'll watch very carefully. That will be of interest.

Hon. Mr. White: Yes, we will.

Mr. Lewis: You pretend to be credible and say that kind of thing—

Hon. Mr. White: The question has arisen about consultation with Ottawa. Of necessity there had to be some number of elected persons and appointed officials in the conversations which preceded the drafting of this legislation—

Interjection by hon. members.

Hon. Mr. White: I want to take one more minute. As some number of experts were consulted within our ministry—

Mr. R. F. Nixon: The Chairman is trying to get order.

Hon. Mr. White: —and in other ministries lawyers, economists, financial experts and others—we ran, as always, some significant risk that the news of this would get out in advance of the introduction and effective date.

To attempt to discuss this at that time with many officials in Ottawa was absolutely impossible. That would have been putting ourselves in jeopardy in a real way. For that reason, the consultations with Ottawa have taken place since that date. The minister has given us an assurance here that the representations in the budget table are correct, and that we will recognize them in our statute, which he says covers it already. Since our statute mirrors the federal corporations legislation, I have confidence that this will be the same insofar as the treatment from Ottawa is concerned.

Mr. Lewis: You can't work without this assurance?

Hon. Mr. White: If events prove this not to be the case, of course, some further amendment will be needed.

Mr. Lewis: Some further amendment?

Mr. R. F. Nixon: Mr. Chairman, surely the point that is—

Mr. Chairman: We have had a very broad discussion on this and really the only matter is whether this amendment is in order or not. I would like to make a ruling, unless there is some other point, as to whether this is in order or not. We don't want to debate the motion. We are not debating the motion.

Mr. Renwick: Has anybody questioned whether or not the second amendment is in order?

Mr. Chairman: That is what has to be ruled on right now.

Mr. Lewis: Well, I don't know.

Mr. Chairman: If you recall, we ruled that a change in title was in order earlier and that ruling was upheld. However, I have received a lot of advice at great length since then and I now have doubts about the amendment to the amendment.

It has been rather confusing to sit here and listen to all the advice I have been getting. I suggest to the House that this amendment be stood down and that we move to section 1 of the bill. We'll report later on on this amendment, whether it is in order or whether it is not.

Mr. R. F. Nixon: Mr. Chairman, we have sympathy with what you are faced with. You were prepared to say the first amendment was in order and now you've got your doubts about the amendment to the amendment. If the minister is going to serve you and the House properly it is time for him to now rise and say, "I would like to take this bill"—don't use the word "withdraw" —and ask the House leader to proceed to another order of business. Then he could bring it in, as was suggested on Thursday, so that he has the material that he is prepared to present and stand behind.

Interjections by hon. members.

Mr. Breithaupt: Mr. Chairman, surely the attitude of the House must now be that amendments that are going to be brought in in this form are going to be very provocative. I don't think we're going to have any real progress if we continue this way.

Mr. Singer: Right.

Mr. Breithaupt: I seriously feel that now that a couple of hours have gone by with nothing accomplished concerning this bill, that this is likely to be the case if we proceed through this afternoon or if we proceed this evening I would feel that it would be in the best interests of the House that the House leader consider having the committee rise, and we could go on dealing with the other group of bills that are not controversial. They could be cleaned up by 6 o'clock.

Then by 8 o'clock tonight, Mr. Chairman, this bill could be run off with its amendments in order, and if the minister doesn't think he can do it, I think we can arrange to have it typed and run off on our copying machine. I think that would be a much happier way of dealing with it.

We are at the position now where we are all becoming somewhat upset about this bill. I don't think we are going to be able to report progress and I would hope that in the best interest of the members of the House the committee could consider at least rising at this time and then proceeding, when we've all had a chance to cool down and study this matter, at another time.

Mr. Lewis: Can we have a view from the House leader then? I really think that if the Chairman has now said that the re-amended title is unacceptable, then frankly—

Mr. Chairman: No, I didn't say that exactly.

Mr. Lewis: You are not going to put it? You are not going to rule on its appropriateness? Then frankly it becomes impossible to rule on any of the subsequent sections. We are thrown into chaos and it makes much greater sense to withdraw the bill as has been urged.

Mr. R. F. Nixon: Okay, here he comes, Mr. Chairman.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Chairman, based on the assumption that we will move back into committee on Thursday, I would be prepared to—

Mr. Lewis: We could have saved two hours.

Hon. Mr. Winkler: Based on that assumption, I'll proceed to ask the committee to rise and report.

Hon. Mr. Meen: I would just like to make an observation, Mr. Chairman. Until about noon—I didn't have my body of amendments until 1:30 or 2 o'clock—

Interjections by hon members.

Hon. Mr. Meen: Now, listen, do the hon. members want to hear the reason behind this or not?

Mr. Lewis: You shouldn't have brought it in. It's a measure of your view—

Mr. Chairman: Order, please. Let's keep a friendly atmosphere here.

Mr. Roy: We don't want your apology.

Hon. Mr. Meen: We had wanted to go on with this. The Treasurer has indicated the urgency attached to getting on with this legislation—

Mr. Lewis: Oh, come!

Mr. Roy: That's the philosophy—

Mr. R. F. Nixon: How come it was so urgent last week?

Mr. Roy: Your bill is retroactive.

Mr. Chairman: Order, please.

Hon. Mr. Meen: The indecisiveness of a bill before the House that has not been passed obviously has its effect in the commercial area. And if there's any reason for the commercial people to be worried, it's to hear people such as the hon. member for Scarborough West casting some doubts as to the way in which the tax would be applied. Or the hon. member for Downsview.

Hon. Mr. Handleman: Who is the chief speculator now?

Mr. Lewis: Well, you cast the doubt on it.

Mr. MacDonald: The minister doesn't know when he should remain silent.

Hon. Mr. Meen: You're just encouraging them. You're trying to give them the impression we might very well withdraw the bill.

Interjections by hon. members.

Mr. Chairman: Order, please.

Hon. Mr. Meen: The sooner this bill becomes law, the better.

Interjection by an hon. member.

Hon. Mr. Meen: What we can—

Mr. Chairman: Order, please! Mr. Winkler has made a motion and I'd like to put it—

Mr. Cassidy: To hell with parliament; to hell with the rules of this House! To hell with them!

Mr. Lewis: Why do you bring in amendments you haven't seen till 2 o'clock?

Hon. Mr. Meen: I have seen the amendments. I'm just trying to tell the hon. members that they were in final form by noon today.

Mr. Lewis: This is too much; you should be more flexible about it.

Mr. Chairman: Order, please.

Hon. Mr. Meen: I did my best to have copies. They can all have copies—and they do have copies now—of all these amendments, which is the normal sort of thing to do.

Mr. Cassidy: It is not normal!

Mr. Chairman: Order, please. Mr. Winkler has moved—

Hon. Mr. Meen: Mr. Chairman—

Mr. Roy: Sit down. You're out of order.

Hon. Mr. Meen: Mr. Chairman—

Mr. Chairman: I would like to put the motion, please.

Hon. Mr. Meen: Mr. Chairman, please let me finish. I simply want to tell the hon. members—

Mr. MacDonald: You're getting in deeper all the time!

Hon. Mr. Meen: —that by Thursday we can have a printed bill for them that shows all these amendments, if they want to have it that way. I had wanted to get on today frankly, anticipating we'd make some progress.

Mr. Chairman: Order, please.

Mr. Cassidy: Have you no sensitivity? No understanding of this House?

Hon. Mr. Meen: I am disappointed by their obstreperous attitude.

Mr. Chairman: Order, please.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports progress and asks for leave to sit again.

Report agreed to.

Mr. Lewis: No progress. It won't fly.

Mr. Roy: The only fellow making progress is the minister. He's going backwards.

MINISTRY OF HOUSING ACT, 1973

Hon. Mr. Handleman moves second reading of Bill 36, An Act to amend the Ministry of Housing Act, 1973.

Mr. Speaker: I believe the minister would like to make a statement.

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, when I introduced the bill on first reading I outlined the purpose of the amendment, which is to provide authority which doesn't exist in the present legislation.

The Ministry of Housing Act, as enacted last session, requires the minister and the deputy minister, subject to the direction and control of the minister, to—and I quote from section 7 of the Act:

> (a) Make appropriate recommendations to the government of Ontario on policies and objectives on housing and related matters with regard to the short-term and long-term housing needs of the people of Ontario;
>
> (b) Make recommendations for the effective co-ordination of all housing and related matters within the government of Ontario with a view to ensuring the consistent application of policy;
>
> (c) To advise and otherwise assist the government of Ontario in its dealings with other governments regarding housing and related matters; and
>
> (d) To advise and otherwise assist local authorities and other persons involved in local planning and development of housing with regard to realizing the objectives of the government of Ontario for housing and related matters.

That's the end of the quote from the Act.

This process has been under way since the ministry was established late last fall, and we are now at the stage where, resulting from our recommendations and advice, steps can be taken to carry those recommendations and advice into active programmes. The ministry does have available to it under the Housing Development Act certain enabling powers, and I expect to be bringing forward amendments to that Act shortly. However, we feel that in the meantime some overall authority to the ministry should be provided within the ministry Act itself, and this, as I say, is the purpose of the amendment.

If I remember correctly in listening to the debate, there was some criticism of the ministry Act when it was in the House last fall, particularly, I believe, from the mem-

ber for Ottawa Centre, who claimed that the Act gave no power to the ministry.

Mr. M. Cassidy (Ottawa Centre): I was right.

Hon. Mr. Handleman: He said the Act gave no power to the ministry and it was an Act which said nothing. It said a great deal, Mr. Speaker—

Mr. Cassidy: It gave the minister no power at that time.

Hon. Mr. Handleman: That's right. Mr. Speaker, we didn't need the power, but now I do need it and I am asking the House for it. I can say to you now, sir, that the ministry Act, in the few short months it has been law, has provided the government with the necessary authority to prepare some very meaningful programmes and we are now in a position to proceed with those programmes with this amendment. I ask for the support of all members for this amendment.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, the comments I have to make on this bill will be brief. It is interesting to see, following the interjections from the member for Ottawa Centre, that the minister has now admitted he requires certain powers, which he apparently did not have, in order to do certain things.

I, for one, had looked at this very small amendment and questioned whether the minister needed to have any particular general power to implement things that others might recommend to him. Surely, if a ministry of the Crown is developed and has an Act by which it carries out certain policies of the government, one would think it would have the opportunity to deal with recommendations or not as it sees fit. In that light, the amendment is almost to the effect that one might say the minister has the right to receive mail if it is sent to him. No one questions that.

The point is if there are recommendations made, they can be dealt with by the minister, and that is why I wondered why this particular comment had to be added. However, if one does look at section 7 of the Act, in conjunction with this section 7(a), it could be seen by some that the powers which are being given to the minister are indeed very sweeping.

Possibly, Mr. Speaker, it could mean we would find implementation in areas of planning as well as housing recommendations, which could simply have the approval of the cabinet and indeed might not need to be brought before the House. What I would like to see, of course, is a confirmation by the minister that the powers he has here to proceed will not be dealt with without the advice or knowledge of the Legislature.

Mr. A. J. Roy (Ottawa East): Right; good point.

Mr. Breithaupt: It is one thing, of course, to have these general powers to act upon recommendations. However, we have seen over the past number of years that this government is very fond of dealing by regulation and by the general powers which allow the minister to do whatever the minister wants in order to follow a certain statute.

I would like to hear from the minister at least a confirmation of the view that this kind of dealing is not going to be done to avoid the legislative process but rather to stimulate it.

Mr. Speaker: The member for Ottawa Centre.

Mr. Cassidy: I guess the minister will realize we would have supported this bill since I think it's proper that the New Democratic Party can claim paternity for the bill. As the minister so rightly recalled, during the debate on the Ministry of Housing Act—

Hon. Mr. Handleman: Did the member say paternity?

Mr. Cassidy: Paternity, yes.

Hon. Mr. Handleman: Illegitimate paternity.

Mr. Cassidy: No, not illegitimate; very legitimate, as a matter of fact. The member for Scarborough West (Mr. Lewis) will back me up.

Interjection by an hon. member.

Mr. Cassidy: What's that? It was proposed from this side of the House and at that time, if I can recall—

Mr. Roy: The party is sterile and the member knows it.

Mr. Cassidy: What's that?

Mr. Roy: The party is sterile and he knows it.

Hon. Mr. Handleman: There was no marriage.

Mr. Cassidy: Well talk to my kids about that.

Mr. Speaker, we said to the minister of the day that he needed these powers and now, eight months or six months later, the new minister is coming along and saying "Yes, the New Democratic Party was right."

At that time though, if the minister goes back to regard the debate, he will find that what was said at that time by the then minister was that the powers that were needed in order to carry out the programmes of the Ministry of Housing were to be found in the Housing Development Act. As I recall specifically, we brought forward into this Legislature the wording of the new Act that had just then been passed in British Columbia in order to establish a Ministry of Housing, and that Act had the teeth in it which the Ministry of Housing Act in Ontario lacked.

The minister, at that time, the member for Lincoln (Mr. Welch), then said: "But we have those powers in the Housing Development Act." We disagreed. Looking at the Housing Development Act right here, it's clear that any kind of powers the minister had were very limited; and that has now clearly been accepted by the new minister.

Frankly, we welcome that, I would hope that after the fumblings and the ramblings and the stumblings that have gone forward in housing policy as far as the government is concerned since September, and since the creation of that ministry—was it in October that we passed the bill—I would hope that the new minister does, in fact, intend to take some specific action.

However, the minister won't be surprised, because he's heard it from us before and heard it from other people as well, that we haven't seen those actions. All we have seen are announcements of rising prices for HOME lots and some intentions.

There was some discussion in the Legislature today which indicated, as far as I'm concerned, that even the increase in HOME lots which the minister talks about will not take place during the current fiscal year, but will mainly take place after March 31, 1975, since the money will not be available in the budget in order to finance those HOME projects until after that time.

In other words those particular 6,000 lots, if created, will only be housing starts. They will not be homes for people until the summer or fall of 1975. And the money, if it's ever going to come, will be in that particular budget year and not now.

Mr. Speaker, when I took a look at the bill originally, I have to say that the protections of cabinet approval around the actions of the ministers are relatively flimsy as these things go, in the sense that it's all within the closed circle, the term "circle of government." The powers which are put forward here ought, in my opinion, to be spelled out in a specific fashion rather than being put forward in this general fashion.

The minister may recall, or if he has examined the debate of the Ministry of Housing Act, as I'm sure he has, he may recall that I believe we read into the record some of the specific provisions that are in that BC Act, in which the minister and the ministry had the power to acquire land, to build if necessary, and to do a number of other things. In fact when you added all those specific powers end to end, you had a fairly sweeping set of powers.

My own understanding and feel for legislation, however, tells me that it's not good legislative practice to give to the minister such a wide, sweeping set of powers as is given here without enumerating them. It makes an awful lot more sense that the powers actually be enumerated.

As the minister is aware, as far as we're concerned if you're going to have any effective answer to housing problems in the province, the powers assumed by the minister are going to be quite broad. They include the power to acquire land on a very large scale. They include the power, if necessary, to homologate; and the power, if necessary, to freeze land for a temporary period while a decision is made about the public acquisition of that land. We suggested all these things in the Legislature. So we're not afraid, per se, of having wide powers with the ministry. We are, though, suspect about giving a minister in a Conservative government the powers and not enumerating them; and that is done in this particular case.

I'm afraid, too, that we're also a bit wary because of the fact that the ministry has tended to work behind closed doors, and that tendency is not being corrected in this particular bill.

Fortunately for the government, the minister has found some check on his tongue over the last two or three weeks. Seldom have so many words been spoken by a minister so soon after assuming office as by the present Minister of Housing. In fact one feared that the province would be deluged and that even the housing problem could have been licked using the newsprint that has been used by the minister in his various speeches and announcements about housing. And if there was a slight problem of the

doors and windows not being completed, then the rumours that were coming out of the ministry about the housing action programme in various parts of the province would have been sufficient to have completed the job. While the minister has learned to curb his tongue to a certain extent—to the great relief, I suspect, of some of his officials, who were afraid that he would run away with them—possibly he is having some of the leisure that he hoped to have in order to get involved with housing policy, but even there I am not particularly sure.

The most concrete piece of information we have about the way in which the minister intends to use his housing powers is in the spending estimates which we received in this Legislature yesterday. There you will find, Mr. Speaker, that whatever the powers to take measures as the minister may consider appropriate may be, those powers are not backed up with any significant increases in funds, far from it. In fact the powers are backed up by a significant decrease in the total amount of funds which are being made available for spending through the Ministry of Housing.

Of course there is a planning and policy group which is growing up around the ministry. That tends to happen, and it is costing about as much as the Ministry of Energy. This is the fashionable thing these days when you set up a ministry. You have a number of people who do studies, do surveys, make proposals and that kind of thing, but the minister must surely know that you have got to show some muscle. You don't only show muscle by taking legislative powers as is proposed in this particular Act; you also show muscle by having the money to back up what you want to do.

In the minister's spending proposals there is not the money to back up what this particular piece of legislation purports to do. There is no increase in funds to acquire land. In fact there is a very substantial decrease in funds from the amount that was spent on land acquisition last year, because of the fact that there is no transfer or movement, beyond the North Pickering project, to acquire land in other parts of the province for urban expansion and urban development or for a shift in land ownership in urban areas from the private sector to the public sector.

There is no increase in the rent-to-income programme, which the minister can accomplish with these new powers or with the existing powers of the Housing Development Act or whatever amendments he happens to want to bring forward. In fact, the amounts of money are being cut by 40 per cent: And that's a very substantial cut, Mr. Speaker; that amounts to something of the equivalent of, I think, about 5,000 or 6,000 housing units that won't be built because of that particular cutback.

There is no increase in the funds available for HOME. There is the possibility of an increase in the funds available for people on modest incomes to purchase housing with an amalgamation with AHOP, the federal plan.

Hon. Mr. Handleman: It just goes to show how successful it is.

Mr. Cassidy: The minister has said today that that federal programme is not successful. We now have a situation where for the next few months there is no federal government. After that, God knows what is going to happen.

Hon. Mr. Handleman: There is a government; there may not be a parliament.

Mr. Cassidy: There may not be a parliament? The minister can be damn sure the government will have other things on its mind than worrying about negotiations with this particular minister.

Mr. Breithaupt: There is nothing more important.

Mr. Cassidy: Well I hope the members of the opposition talk to their friends up in Ottawa then, in order to get that particular piece of legislation changed.

Mr. Roy: Let the member for Ottawa Centre talk to his friends and we'll talk to ours.

Mr. Breithaupt: If the member does too the whole thing will fall apart.

Mr. Speaker: Order please. I wonder if the member for Ottawa Centre would return more to the bill?

Mr. Cassidy: Yes, I have been talking about the bill. I have been referring to it regularly at intervals of every six to eight seconds.

Mr. Speaker: I think you might better discuss the specific provisions of the bill.

Mr. Cassidy: The specific provisions, Mr. Speaker, are so wide and sweeping that in fact any comments on housing would be in order under this bill.

Mr. Breithaupt: But not under this Speaker.

Mr. Cassidy: Not under this Speaker. When the Speaker regards the bill, it says that the minister may take such measures as he considers appropriate.

Mr. Speaker: Yes, I have a copy in front of me.

Mr. Cassidy: Okay. I am not going on into a long speech on housing, and that for one reason; the bill has been jammed in at short notice because of the rather disastrous upset of the Minister of Revenue (Mr. Meen), and because we are supporting the bill we don't intend to talk about it at length. All the same, it seems to me to be a sham—

Mr. Speaker: I wonder if you would be good enough to talk about the bill?

Mr. Cassidy: The minister comes in and takes the powers when he does not have the spending in order to back up the assumption of these powers. Sure he can do a few things with the powers. We are glad that he has them. They should be enumerated in a different way, and they should be backed with the fiscal capacity if the government is to show that it means any kind of business in solving the housing crisis that exists in the province right now; but it doesn't.

This minister wasn't in the Legislature yesterday, Mr. Speaker, when we were concluding the debate on second reading of the Land Speculation Tax Act. He should have been, because that tax was just as germane as this particular bill to solving the housing crisis, or at least that had been the intention of the government. The minister wasn't around in order to put his point of view on that bill, wasn't around to indicate that he even saw it as providing a solution, and wasn't around to say what he would do to back up what the Treasurer (Mr. White) was purporting to do.

Well Mr. Speaker, I think I have said enough. We will support the bill. We wish the minister had some money to back it up and we will watch his use of these powers with a good deal of interest.

Mr. Roy: Mr. Speaker.

Mr. Speaker: I recognize the member for Ottawa South?

Mr. Roy: Ottawa East.

Mr. Speaker: Ottawa East.

Mr Roy: The member for Ottawa South (Mr. Bennett) is on your side, Mr. Speaker. I am very disappointed that you are confused on that point.

Mr. Speaker, just very briefly I have had occasion now to read section 7 of the Ministry of Housing Act and there is no doubt that there are sweeping powers under that particular section, which can be enforced now with this particular amendment. My concern, and question to the minister, is: Why would he want to circumvent the scrutiny of this Legislature when he is adopting or intends to bring in certain measures, hopefully, to enhance the housing situation in this province.

There is a tendency, Mr. Speaker, of great concern to me, for so many laws, so many enforcements to go through by way of regulation rather than by way of legislation. As you know, Mr. Speaker, there is very little in our present system, as it exists, to scrutinize regulations.

We have the regulations committee, but we know that this is really a useless committee which has no powers whatsoever. This is a point which is recognized by all sides, and in fact the committee seldom sits. And yet, Mr. Speaker, we have volumes and volumes of regulations that are passed without any type of scrutiny at all. People are not aware of these regulations until they are affected by them.

I am concerned, Mr. Speaker, that by proceeding in this fashion with this particular amendment, we are again going into an area in which the minister will have jurisdiction to do certain things. This will be legislated not by way of legislation which is studied and scrutinized in this House as it goes through committee and so on, but will be done by way of regulation.

I am really concerned about that. I am concerned that this is a trend that in fact seems to be accelerating in this province. This is one of the reasons, Mr. Speaker, that I felt some time ago the only protection we had was to pass some form of a bill of rights to in fact scrutinize or challenge certain regulations.

I say this very sincerely to the minister: Since he has been Minister of Housing I think there is little doubt that he prefers to stick his chin forward, and it is obvious that he is sincere—I am not saying that he is successful—in attempting to correct the housing situation.

Just as when he was a private member, he is talky, he is not afraid to take his lumps; and he is doing it as a minister. But he has had a tendency, since he became a minister, to make major statements outside

the House rather than inside the House and I am concerned that he will proceed by way of regulation as well, rather than by way of legislation which will be scrutinized here.

It is of concern to me, because if this is the approach that he is going to take—obviously he has had problems in the past, he has antagonized half of the municipalities in the province by some of his statements—and if he proceeds in the same manner by way of regulation under this particular amendment, it is not going to work. Unless the minister gets the co-operation of all levels of government, he is not going to be successful in enhancing and improving the housing situation in this province; and after all this is why he is seeking these powers.

He hopefully wants to have something in writing or have teeth into section 7, rather than just make recommendations. Now he will have power, through the Lieutenant-Governor-in-Council, to take such measures as he considers appropriate to implement any recommendation made under section 7; and the minister knows what section 7 allows him to do.

I suppose it allows him to do pretty well anything; and I am concerned about this. I would like to hear, as a matter of policy, whether the minister, when he feels that he is going to be going into an area of great importance—which may well affect individuals, which may well affect certain areas of this province, which in fact are major decisions in the area of housing policy—whether he should not bring decisions about by way of legislation rather than proceed by way of regulation.

Mr. Speaker, I say this to the minister, I would hope he would see fit to give some consideration to these comments. We agree that he needs powers; but on the other hand I am very much concerned, knowing him on a personal basis and looking at his approach since he has become minister that he might decide to circumvent the normal legislative process and to use the wide, sweeping powers that he has with this amendment in section 7 to sort of ramrod certain things. Of course if he does that, he may get into trouble with certain levels of government. In fact it states here that he can enter into any agreement with municipalities, and so on.

So we will support the legislation, Mr. Speaker, but we express this concern. We would like to hear the comments of the minister about what he has in mind as an approach to implementing some of the matters under section 7.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, on the bill, on second reading, I have just a couple of laconic comments to make about it. We will want to explore with the minister in committee the use he will make of this very plenary power which he is asking the assembly to grant to him. One can hardly think of language broader than the phraseology of this particular amendment. By the introduction of section 7(a) to the Act. The minister, with the approval of the Lieutenant-Governor-in-Council, may take such measures as he considers appropriate to implement any recommendations made under section 7.

Since it was a new Act last year, for practical purposes, and as the use made of section 7 has been relatively new and as the minister now wants to come in and have the authority to implement those recommendations, it does appear to us that in supporting the principle of the bill, that is the principle of the grant of this wide power to the minister, we should have the opportunity in committee of exploring in some detail the kinds of recommendations which have been received under section 7.

We would like to explore what his plans are with respect to the implementation of one or more or all of them, and what generally has developed within the ministry regarding the kind of procedures which have been developed for the recommendations going forward under section 7. These are now selectively, apparently, going to be chosen for implementation. For that reason we will ask that the bill go into the committee of the whole House; but that choice of course is up to the minister.

Mr. Speaker: Does any member wish to speak before the minister replies? Mr. Minister.

Hon. Mr. Handleman: Thank you, Mr. Speaker. I might just comment on the brief remarks of the member for Kitchener, who questioned the need for the amendment in view of the fact that there were powers under the Housing Development Act. He is quite right. In fact we have been using those powers extensively since the formation of the ministry.

It was felt, however, that in order to give the sanction of legislative authority to some of the agreements we would like to make, that we should have an amendment that would give the minister, under The Ministry of Housing Act, specific powers to enter into those agreements.

I quite recognize the broadness of the powers which are granted to me. Of course we do say "in this Legislature" and ask for guidance in using power wisely. This is one of the things we always have to keep in mind.

Just about 10 days ago in Ottawa I was told I had power to force through a development. "You don't have to pay attention to anybody, you have the power to do it." Well I think any minister, recognizing he has power, has to be very careful to use that power with some reason and some consideration. I put that to my questioner, whether he wanted me simply to blunder in and say: "I have got the power to do it." I would rather do it by negotiation and agreement.

However, in the crunch and the government policy is such that power has to be used, then I suppose power will be used.

I would like to relate the remarks of the member for Kitchener to those of the member for Ottawa East. The question of putting before the Legislature details in the course of negotiations obviously would hinder any negotiations that might be taking place; for example under the housing action programme. I would have no objection whatsoever in saying to the Legislature right now that agreements which are contemplated under section 7(a) and in this amendment, with municipalities, with regional or metropolitan governments or district municipalities, should be made available to the Legislature; so that there is no question whatsoever of their being any secret deals.

We hope, of course, that there will be uniform agreements. There may be variances between one locality and the other, and I think the Legislature should be aware of these. However, we cannot come to the Legislature every time and ask for authority to enter into an agreement, and this is the purpose of the amendment. There is no ulterior motive in it; it is not designed to give the Minister of Housing any great power to push his way into some situation where he feels he has to do things.

Of course, I was surprised to hear the member for Ottawa Centre, of all people, accuse me of speaking too much. This is an unusual thing to come from him.

Mr. Roy: The minister is jealous.

Hon. Mr. Handleman: But there is no question whatsoever that I made a number of speeches at the outset of my ministry. These were speeches which I think had to be made. Last night I was not here, unfortunately; I would have liked to have been here to listen to the end of the debate on the tax the Minister of Revenue was proposing, which the Treasurer announced in his budget.

Unfortunately, at that time I was trying to negotiate for hard services in a very complex negotiating situations. It requires sewer, water, population target negotiations; and a variety of things which affect our housing action programme. I expect to continue to spend many hours on that.

What I want the amendment for, and what I am asking the Legislature to support, is the power to have those agreements supported by legislation. Of course, the ministry can enter into agreements with anybody and they would have the full force of a contract in law. I really think something stronger than that is required because—and I am sure the members of the New Democratic Party would agree with me—many of the people with whom we are negotiating really require this type of thing in order to make sure they live up to the terms of their agreement. I have been told, and I accept it, that I do require these broad powers in order to be able to make binding, firm agreements which commit people to actions, not only today but in the years ahead.

Unfortunately for the member for Ottawa Centre, while I haven't made any speeches recently I will be making one again tomorrow night. He will probably want to get a copy of my speech so he can criticize it the following day.

Mr. Cassidy: Good; we will look forward to it.

Hon. Mr. Handleman: Right. It's the usual hard-hitting speech that the member for Ottawa East says I happen to engage in from time to time.

Mr. Cassidy: The minister strikes out occasionally.

Hon. Mr. Handleman: The member for Riverdale, I think quite properly, will be asking us in the committee for the kinds of things on which we would like to use this section. At the moment, as he and every member of the House who has been listening to the question period in the last few days knows, we do not have a signed, sealed and delivered agreement from a number of people. I have proposals before me which I really would like to get into the form of firm, binding agreements which commit people to certain actions and to certain concessions to the taxpayers of Ontario in the form of land transfers.

As far as the criticism of the member for Ottawa Centre is concerned on the lack of money in our estimates, I think if he listened to the Treasurer's budget speech he would have heard a word which was used very carefully; it wasn't used without a great deal of forethought. The amount which has been allocated to the Minister of Housing in the housing action facilitating fund is an initial amount. If we are successful, and I hope all members of the House wish me success in this, in bringing about a number of agreements to accelerate the production of serviced land and to implement those agreements, more money will be required in order to make sure that the taxpayers in certain municipalities do not bear the cost of accelerated development. I hope all members of the Legislature, and in the estimates committee, will support additional funds.

Mr. Cassidy: The minister dropped by $100 million initially; will he drop by another $100 million later in the year?

Hon. Mr. Handleman: The explanation for that $100 million was accepted by the member for Brant (Mr. R. F. Nixon) this afternoon. There is no question about it; there is a reason for that. We feel, again without debating the estimates, there is sufficient money to do the things the programmes of my ministry require us to do.

Mr. Speaker, there was some criticism of our having only the power to make recommendations and not having any other power. Of course we are acquiring land every day. We are letting contracts every day for building things like senior citizens' housing, family housing; all of these powers have been there. The powers of expropriation are available to the minister.

This minor amendment to the Act really gives the minister the power—and I look at the latter part of it—to enter into agreements. This is really the purpose of it.

Recommendations are being made daily to the government on a number of housing approaches. Those recommendations become policy, they are translated into programmes; and many of the programmes require action on the part of the government. There is no intention on my part, and I am sure on the part of the government, to hide any of the actions we are taking

At the present time we are in the negotiating stage. I am hopeful that within a few short days or in one or two weeks, I'll be in a position to come in with a progress report and say this is exactly what has been achieved and that it will be supported by agreements rather than words. I am being pressed every day to say what has been achieved? In fact I want those agreements in my pocket before I make any announcements to the House, and with the help of the members I hope to have them in a very short time.

Mr. Speaker: The motion is for second reading of Bill 36.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Mr. Renwick: Committee of the whole House.

Mr. Speaker: Committee of the whole House, Mr. Minister?

Hon. Mr. Handleman: Committee of the whole House.

Mr. Renwick: Does the minister want to go into committee now?

Hon. Mr. Handleman: No.

It being 6 o'clock, p.m., the House took recess.

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No. 43



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Evening Session

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Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

The House resumed at 8 o'clock p.m.

Hon. T. L. Wells (Minister of Education): Mr. Speaker, before we go into the regular business of the evening, I would like to draw to your attention and to the attention of the House that we have in the galleries tonight guests from Scarborough and from the riding of Scarborough North, many of them members of the Scarborough North Progressive Conservative Association. I am sure the House would like to welcome them.

Mr. L. A. Braithwaite (Etobicoke): Mr. Speaker, if I may introduce to the House 30 Cubs and their leader from Silver Creek School in Etobicoke, the 16th Humber West Cub group. They are in the east gallery.

FINANCIAL ADMINISTRATION ACT

Hon. Mr. Irvine moves second reading of Bill 53, An Act to amend the Financial Administration Act.

Mr. Speaker: The member for Kitchener.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, we are doing it somewhat differently in this bill than we did when the last bill was called. The bill, we are informed, deletes the former position of comptroller of accounts; and since that post is no longer filled in this government it deletes an obsolete reference, and we will support it.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, in the spirit of magnanimity that we showed this afternoon, I think we will concur in the principle of the bill; subject of course to a satisfactory explanation from the minister.

Mr. Speaker: Does any other member wish to enter the debate? If not, the hon. minister.

Hon. D. R. Irvine (Minister without Portfolio): Mr. Speaker, I think the explanation was given by the hon. member for Kitchener, so I don't think I have anything further to add; it is an obsolete reference.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

TERRITORIAL DIVISION ACT

Hon. Mr. Irvine moves second reading of Bill 14, An Act to amend the Territorial Division Act.

Mr. Speaker: The hon. member for Riverdale.

Mr. M. Cassidy (Ottawa Centre): I hate to be upstaged on this one, Mr. Speaker. It is a pretty important bill; and in fact I was prepared for it, which the member for Riverdale was not.

Mr. Speaker: I recognized the hon. member for Riverdale, who was first up on his feet.

Mr. Renwick: I will yield to my colleague from Ottawa Centre.

Mr. Breithaupt: He hasn't read the bill yet.

Mr. Cassidy: As I recall, Mr. Speaker, the import of this bill is to extend the boundaries of the regional municipality of Durham down to the international boundary between Ontario and the United States, and it has obviously been—is that right? It goes all the way down to Hamilton-Wentworth as well; and for that reason, because it touches good NDP territory in Wentworth and potentially good NDP territory in Oshawa.

Interjections by hon. members.

Mr. Cassidy: I think we'll support the principle of the bill, Mr. Speaker, but the member for Riverdale has some other comments to make; because he, like me, would not want the bill to pass unnoted in Hansard.

Mr. Renwick: I'm afraid I've spoken, Mr. Speaker.

Mr. A. J. Roy (Ottawa East): The member's contribution will be remembered.

Mr. Speaker: The hon. member for Kitchener.

Mr. Breithaupt: Since I have had the opportunity of reading the bill, which neither of the previous speakers seem to have done, I would simply concur–

Mr. I. Deans (Wentworth): Because they spoke first.

Mr. Breithaupt: –in the fact that this, of course, is a minor housekeeping bill. The interesting part–

Mr. Renwick: It's very important. It's the international boundary.

Mr. Cassidy: That's right. We could be taken over if this bill wasn't passed.

Mr. Breithaupt: The interesting part of the bill, of course, is that as various regional government have been formed it becomes necessary to change the actual delineation of title as to the areas which are covered.

Now it's interesting, of course, to see my own region, the regional municipality of Waterloo, mentioned in the bill. These items are simply matters of definition. I am interested, though, in inquiring of the minister in his comments about the matter with respect to the changes made in the territorial district of Timiskaming. Is this simply dealing with what are otherwise unorganized townships, or are there in fact any particular numbers of citizens involved because of this change in that area?

Now then, there is one other question that interests me, and that is the matter of the line in Lake Ontario which we referred to as defining the limits of townships lying on the lake west of the eastern boundary of Metropolitan Toronto. This seems rather strange. One would have thought the reason behind this might have been the matter which was raised some time ago by Scarborough with respect to the development of lands and the possible claim to title of lands as extensions are made into Lake Ontario. In other words, lands that were not earlier part of the municipality of Metropolitan Toronto, but rather were in that borough. Can the minister enlighten us on that point?

Mr. Speaker: Does any other member wish to enter the debate? If not, the hon. the minister.

Hon. Mr. Irvine: Yes Mr. Speaker, I would be prepared to say to the member for Kitchener that this bill incorporates the changes that were made in regard to the boundary lines of the different regions or annexations or amalgamations that have been made.

As far as the first part of his question is concerned, it's not affecting any area that hasn't already been involved in an annexation. Secondly, with regard to Metro Toronto or any other boundary it is not a change in the boundary lines, as may have been suggested by the member. I am not really sure what he was referring to. There is absolutely no change in what had been proposed by the legislation.

However, Mr. Speaker, there is a drafting error. So I do have to move, with the concurrence of the House, that we amend subsection 24 of section 1 of the bill by inserting, after "Finlayson" in the seventh line," in the territorial district of Nipissing"; and by adding at the end thereof, "in the territorial district of Muskoka".

It is a matter of clarification, that is all.

Mr. Cassidy: It's almost as bad as the speculation tax business.

Mr. Speaker: Shall the motion carry?

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Hon. Mr. Irvine: It had better go to committee for that amendment.

Mr. Deans: No, it must go to the whole House.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Or do members want it to go to committee?

Mr. Cassidy: Committee, Mr. Speaker.

Mr. Speaker: Since there is an amendment the minister wishes to introduce, then I assume it will go to committee of the whole House.

Mr. Renwick: Right.

Mr. Speaker: Committee of the whole?

Hon. Mr. Irvine: Committee of the whole House.

Clerk of the House: The second order, House in committee of the whole.

TERRITORIAL DIVISION ACT

House in committee on Bill 14, An Act to amend the Territorial Division Act.

Mr. Chairman: I believe the hon. minister has an amendment on section 1.

Hon. Mr. Irvine moves that subsection 24 of section 1 of the bill be amended by inserting after the word "Finlayson" in the seventh line, the words "in the territorial district of Nipissing"; and by adding at the end thereof the words "in the territorial district of Muskoka."

Motion agreed to.

Mr. Chairman: Any further comments, questions or amendments on this bill? If not, shall this bill, as amended, be reported?

Bill 14, as amended, reported.

MINISTRY OF HOUSING ACT, 1973

House in committee on Bill 36, An Act to amend the Ministry of Housing Act, 1973.

Mr. Chairman: Are there any questions, comments or amendments on any section of this bill; and if so which section? The member for Riverdale.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, we asked that the bill be put into committee in order that the minister would give us some indication of the recommendations which have already been made since the time we passed the Ministry of Housing Act in 1973, when it received royal assent, just a little over a year ago. As a matter of fact, it was less than six months ago.

I would ask the minister to explain to us the kind of recommendation which is set out in item 7 of the bill and for which the amending bill is to provide authority to the minister to take all such measures as he considers appropriate to implement those recommendations. Presumably there are already a number of those he wishes to implement and that's the reason this bill is now coming through at this time.

Mr. I. Deans (Wentworth): Let me save the minister from leaping to his feet, because I want to talk to him for a moment about a problem. As late as last evening, the Hamilton-Wentworth board of education was placed in a very difficult position, and I think the solution lies within section 7 of this Act.

The Hamilton-Wentworth board applied for permission to purchase land in what has become known as the Saltfleet satellite city development in order to provide education facilities for the many children who undoubtedly will live there if the minister ever gets the thing off the ground. This approval has been denied by the Ministry of Education. We have a subdivision there with potential for a population of something like 70,000 persons. Let's assume for a moment that only 1,000 of those are children, it's going to be necessary for them to have a school.

One of the provisions of section 7 deals with making appropriate recommendations to the government of Ontario on policies and objectives on housing and related matters. Now one related matter to housing is the provision of educational facilities. It seems to me to be pretty damn stupid for the Minister of Education (Mr. Wells) to refuse the Hamilton-Wentworth board of education the opportunity to purchase land now prior to the development finally taking place and when the land is perhaps at a price they can afford, although it is already well beyond the initial stages. I think the minister might well take a serious look at what is going on in other ministries as it relates to provision of accommodation and housing.

What I'm really suggesting to you is this, that if you are going to make recommendations, and if as this amendment suggests you are going to be able to take such measures as you consider appropriate to implement any recommendation, then one of the measures that must surely be appropriate is to recommend to the government that they permit municipalities and local boards to acquire property for educational purposes and recreational purposes. This is directly related to this bill.

I'm happy to approve of the bill and I'm happy to support the minister. But I do think that he is going to have to get together with the other ministries here and iron our the internal problems, because one of the things that municipalities will not stand for is to have development take place without what they recognize as the obvious needs being taken care of.

The local board of education has said quite pointedly they will withhold approval of the official plan, and unfortunately or fortunately as the case may be they have that right. They are not going to approve the official plan unless there is some change in the attitude of the Ministry of Education. If they withhold approval of the official plan it is going to delay the development of housing in that subdivision for a considerable period of time, and that housing is much needed.

The minister and I both agree that the sooner we get housing onto those barren fields the better it is going to be for the

housing market in the Hamilton-Wentworth area.

I'm asking, with the authority given to you under this amendment, and in fact the authority that you had under the existing section, that you arrange immediately to meet with this fellow over here, the Minister of Education. Sit down and straighten him up about the need to provide additional services which are not directly related to housing, but which are related to the needs that the development of housing creates. Otherwise, we're going to find undue delay. It's all a part of an integral process. There has to be a great deal more integration of policy if it's going to be successful.

Hon. T. L. Wells (Minister of Education): Mr. Chairman, I'd just like to say that as usual my friend is quite behind in knowing what's going on.

Mr. Deans: Oh am I?

Hon. Mr. Wells: Actually, many months ago my friend the Minister of Housing and I had been working at co-ordinating our policy.

Mr. Renwick: He hasn't been there that long.

Hon. Mr. Wells: His predecessor was there.

Mr. Deans: Who was the one before that?

Hon. Mr. Wells I can tell you there's not going to be—

Mr. Renwick: His predecessor was just a caretaker; and don't give us that tonight.

Hon. Mr. Wells: —any lack of housing projects, or housing starts or special programmes because of school facilities. We've already straightened that out.

Mr. Deans: When?

Hon. Mr. Wells: Already, now.

Mr. Deans: Last evening the board met and said they had been refused approval to purchase.

Hon. Mr. Wells: The Hamilton board perhaps is a little late in finding out exactly what has been going on.

Mr. Deans: The Hamilton board is going on what you tell them.

Hon. Mr. Wells: If the Hamilton board will come and talk to us about special projects they will get special consideration.

Mr. Deans: It isn't the special projects.

Hon. Mr. Wells: As my friend knows, we don't have unlimited money for capital building of schools in this province. Generally, the public has said we should put some limits on the amount that's spent on capital building. But we do have, and we will make available, money for sites and schools in new housing projects, in places where new housing starts have to begin.

Mr. Deans: That's what we're asking for.

Hon. Mr. Wells: No new housing starts are going to be held up because of lack of approval from the Minister of Education.

Mr. Renwick: It's nice to have that commitment.

Hon. Mr. Wells: So I can tell my friend that he just doesn't know exactly what's happening.

Mr. Deans: Since this is committee and I'm entitled to speak more than once, let me point out to you, sir, whether I know what's happening or not. I can only assume the Hamilton-Wentworth board are aware of the order issued by the ministry which does not grant them permission to acquire a site.

They recognize, but you obviously don't recognize, that though the houses are taking a long time in materializing, there obviously is going to be a need for a school in that area at some time in the not too distant future. They know that if they're going to build a 10-sector development, over the course of time there will have to be a school developed there to meet the needs.

What they're saying, simply, is that in conjunction with the official plan they should be given permission now to acquire the property so whenever it is required in the future they will be able to develop the school. They have asked for that permission. Permission has been withheld. They are saying, quite pointedly, that unless they get the permission they simply are not going to approve the plan for development.

I don't blame them. They have a responsibility. I'm not suggesting for one moment that the ministry has to sink a great deal of money into the acquisition of property or the development of facilities. All that is required is to recognize that when the Ontario Housing Corp. through HOME and through all other facilities, are going to develop a major housing programme in an area—and this is a major development—

then there has to be some advanced planning.

The local school board is saying: "We want to do the planning now." Because at this stage, for the first time since 1967 when the programme was announced, they're actually putting a shovel in the ground; they're actually considering putting in foundations for houses. Some time in the not too distant future there will be real houses right there on the spot. I never believed it would happen; but it will happen, I believe it now.

Hon. S. B. Handleman (Minister of Housing): Believe it or not.

Mr. A. J. Roy (Ottawa East): There will be people in the houses.

Mr. Deans: There may even be a few people living in the area and they might even have kids and they might even need a place to go to school. There is no point after it's all developed saying: "Where would be the best place to have it so that when the development is completed the school facility is there?"

I'm saying to both of you, since you're both here—it's unusual to have two here at the same time—

Mr. Renwick: If they were closer together you could get them both in your sights.

Mr. Deans: I say to both of you there is no point in telling me I don't know what I'm talking about. I'm simply relaying to you, even though you are a mite obtuse in the evening—

Hon. Mr. Wells: Except you told me the separate school board wasn't going to get—

Mr. Deans: No. In fact if you recall, my friend, I suggested to you the separate school board should have a facility. I even asked you if you would grant the facility. And finally, after a great deal of pressure, not only by me, I assume by the board—

Hon. Mr. Wells: Not from any pressure by you; and not because of the co-operation of the Hamilton Board of Education.

Mr. Deans: I'm not talking about the co-operation of the Hamilton board. In fact I want to make something clear to you, Mr. Chairman. This minister obviously doesn't understand. I am not talking about the Hamilton Board of Education. I'm talking about the Hamilton-Wentworth board of education. It is a separate entity, if you don't understand.

Hon. Mr. Wells: Well, use the correct name then. There is no such thing as the Hamilton-Wentworth board.

Mr. Deans: It's the Wentworth board.

Hon. Mr. Wells: Say it's the Wentworth board then.

Mr. Deans: I am talking about the Wentworth Board of Education, and I am talking about provision of a school—

Hon. Mr. Handleman: Mr. Chairman, what about Bill 36?

Mr. Deans: I am talking about provision of a school in what was once known as the Saltfleet satellite city, and I am saying to you that if you want to see development and chaos, then you are going to accomplish it.

Hon. G. A. Kerr (Solicitor General): Wherever there is chaos there is the NDP.

Mr. Deans: But if you don't want to see that, then the Minister of Education should sit down with his colleague from Carleton (Mr. Handleman) and arrange to make sure that the school board has the authority to proceed with the development of an educational facility so that there will be some educational facilities there for the kids as the houses are built.

Mr. Renwick: Get the name of the board right.

Hon. Mr. Wells: Well, Mr. Chairman, all I am trying to do is indicate to my friend over there, who I guess wants to make a speech tonight anyway—

Mr. Deans: No, I don't.

Hon. Mr. Wells: —that we have done this.

Mr. Deans: You haven't!

Hon. Mr. Wells: I have told my friend that if there are any housing starts ready to go ahead, we will not withhold approval.

Hon. Mr. Kerr: Call the minister.

Hon. Mr. Wells: I can't be any more clear than that, and if the Wentworth board feels they have been aggrieved in this, I will meet with them tomorrow.

Mr. Renwick: Another first for the member for Wentworth.

Hon. Mr. Wells: The chairman and I are good friends. I'll meet with them tomorrow and we'll straighten it out.

Mr. Deans: Okay, then we can assume that as of tonight the minister is going to fix it up.

Hon. Mr. Wells: I can tell you that the Minister of Housing's projects will not get held up because of any lack of approvals from this ministry.

Mr. Deans: Okay. That's all you are going to say I expect.

Mr. Chairman: The Minister of Housing.

Hon. Mr. Handleman: I might just add a word, since this is the bill that appears under my name.

Mr. J. R. Breithaupt (Kitchener): Yes, you may.

Mr. Deans: Does the minister want to talk about housing?

Hon. Mr. Handleman: I want to talk to the hon. member for Wentworth, because there seems to be some question in his mind—

Mr. Deans: No, no question at all.

Hon. Mr. Handleman: —as to whether or not we have used section 7, which is not in the bill before us but in the original Ministry of Housing Act, to make recommendations in regard to specific school projects. I want him to know, and I want to confirm what my colleague the Minister of Education, has said, that not only have we met, we have reached some agreement.

I am very pleased to hear that a board of education has more confidence in the success of our programmes than some of our friends in the House. They appear to be concerned that we are in fact going to build houses and have people there. And every time I have some fleeting worry about the state of our programme, the vehemence of our friends in the opposition provides me with some comfort and I begin to believe we are about to succeed.

Mr. Deans: Who asked you to speed up the project? Who asked you to speed it up?

Hon. Mr. Handleman: Okay. That project has not been brought to my attention. I just want to draw the attention of the hon. member to a situation in the constituency of Carleton, where one of the school boards requested an expansion—a new school, a new site—four years ago. They don't need that until this fall. I think the Minister of Education and his staff have the responsibility of determining the validity of the request within the Ministry of Education. We can make recommendations to the government, and those are usually arrived at in consultation with a variety of ministries.

With regard to the question of the member for Riverdale, the kinds of recommendations that have been made under section 7, and for which we are now asking implementing authority, are things like non-profit housing corporations. We will be bringing in legislation, but there is a great deal of negotiation. We cannot have undertakings with municipalities. We cannot have joint ventures with municipalities. We can recommend them—and our recommendations are being looked at and agreed to by the government in many cases—but we cannot do any implementation without the amendment that is before the House tonight.

Mr. Chairman: Shall this section carry?

Mr. Renwick: I take it, Mr. Chairman—I am being adamant; I am not yielding to my colleague at the moment.

Mr. M. Cassidy (Ottawa Centre): I got in first last time, so that's all right.

Mr. Renwick: I take it that the way in which this bill is worded—that, is the minister with the approval of the Lieutenant Governor in Council—means that orders in council will not be passed, and that therefore there will be no public knowledge of the implementation measures, including any agreements that you enter into unless you choose to announce them.

If I may put it in another way, as I understand it, if this had read, "the Lieutenant Governor in Council, upon the recommendation of the minister may take such measures as it considers necessary and appropriate"; they would have had to be done by orders in council and those would have been published in the office of the clerk of the executive council.

How are we going to know what measures the minister takes. Is he going to table the documents? Is he going to make a public announcement about each one of them to indicate to the public what he is doing to implement, in the broad language of this section, the powers which are given to him?

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Have a little faith.

Mr. Renwick: I haven't got any.

Hon. Mr. Handleman: I am assured, Mr. Chairman, that the measures and the agreements contemplated under this section would be by order in council. Whether or not the

detailed agreements, particularly, as the clause says, "with any other person," might be written out in full in an order in council, I really can't assure the hon. member. But my understanding in discussing the drafting of this particular section was that all activities, measures as well as agreements, would be through the mechanism of order in council. The approval of the Lieutenant Governor in Council would involve orders in council.

Mr. Chairman: The member for Ottawa Centre?

Mr. Cassidy: Yes. I want to raise a question about this. It arises out of the point made by the minister during the course of the second reading debate.

I had stated, or suggested, that it was to be deplored, or at least there were dangers in the way in which the ministry was proceeding behind closed doors. The minister got up to say that as far as he was concerned he didn't want to talk about his programme until he had agreements signed, sealed and delivered. Then he would bring them before the House and at that point we would find out what on earth he was doing.

I also mentioned during the course of the debate that there had been an awful lot of verbal speculation in the press, which is inevitable in this kind of situation where people are concerned about the housing crisis; where hopes have been raised because of the creation of the ministry and where the minister himself at one point was injecting a fair amount of bombast into the housing sphere.

The most explicit indications of what is happening with the Ontario housing action programme were some comments by Mr. David Strachan, who is the Peel region co-ordinator for the ministry and who has been negotiating with the borough of Mississauga. He indicated there are some disturbing things about the programme, according to the Globe and Mail, sufficiently disturbing that it seems to me the details of the minister's plans ought to be discussed in this Legislature before the minister gets it all cut and dried, all signed, sealed and delivered. I will be specific and quote the Globe and Mail:

> The minister has been trying to indicate, or the government has been trying to indicate, that we will have action now. Mr. Strachan says he is working for lots in Mississauga over a period of three to five years. The ministry has been very indefinite about the income groups that are to be affected, and now indicates that people earning under $12,000 may get money. Because the government will not provide the money it is hoping that Ottawa will make up the difference. Mr. Strachan says it is for people earning $12,000 to $18,000, which automatically shuts out about two-thirds of the families in the province.
>
> There has been an indication that people on low or moderate incomes would get involved. Mr. Strachan indicates that only 10 per cent of the lots would be made available at cost and the rest will be at some other price that presumably is greater than cost.

The minister has been indicating that people with middle incomes might get involved. Mr. Strachan suggests, or is quoted in the press as suggesting, that according to the ministry's programmes only 20 or 30 per cent of the lots will be directed to people earning $12,000 to $18,000 a year, meaning that between 60 and 70 per cent of the lots will be directed to people earning more than $18,000 a year. Those people represent, I think, about 12 per cent of the population of the province. At any rate, back in 1972, less than 30 per cent of the people in the province earned more than $15,000, that is had a family income of more than $15,000.

We have talked of—the member for Wentworth in particular has been raising it consistently in the Legislature—the problems created under the HOME plan by individual speculation, which is condoned if not in fact encouraged by the way the HOME plan is established. Mr. Strachan says there is a weak clause to be put in which would allow the developer to re-purchase a property at cost if it was re-sold within one year. Mr. Strachan mercifully is silent about the quid pro quo to be given to developers for the various things the ministry wants to happen.

It seems to me that the minister, in seeking the powers to make agreements with the municipalities which directly affect the points that I have been discussing, should indicate the general guidelines that will surround the programmes on which he is trying to reach agreement with municipalities. Otherwise we will be presented with a fait accompli in a style of government which, dare I say it, comes pretty close to matching the Kremlin.

The minister is negotiating with municipal planners. I don't know; is he sitting down with mayors? Who is he sitting down with? Do they have the power to make these agreements? What will happen when they

come before the councils? Will the councils be told before the Legislature?

I don't know. We don't know. I urge the minister very strongly to indicate the recommendations that resumably he has already made to cabinet in order to set the guidelines for the programme which is now being negotiated with municipalities and developers.

Hon. Mr. Handleman: Mr. Chairman, I am not completely sure whether the hon. member is engaging in a fishing expedition, but he might as well save himself the trouble. A news release on April 25, which was circulated to all members, gave full details of the Ontario housing action programme.

I don't know what Mr. Strachan is quoted as saying in the Globe and Mail. Mr. Strachan is our housing co-ordinator in the Mississauga field area. It is all quite clear, and I really don't understand the confusion which appears to exist in the hon. member's mind. At one point this afternoon in debate on second reading he accused me of talking too much, and this evening he says I'm keeping things quiet and not saying enough about the programme. I really can't follow this kind of logic.

The programme is quite simple. We will not negotiate in public. Negotiations must take place. There are many details to be ironed out; and one of the things I've learned, which I didn't know when I started out on this programme, is that probably the greatest quality I can have is patience. I expressed some impatience at one time and immediately brought the House down by being accused of having lost my marbles. Having traced the source of that I find the person who made the accusation, in the next column of the newspaper was seeking nomination for a party which isn't representative of this side of the House.

On the other hand, there is no question that we have made quite clear to the municipalities exactly what we are offering them. It is in the press release. The table of grants is there. There is no problem whatsoever with it. The quid pro quos were announced in the question period.

Mr. M. Shulman (High Park): Which party?

Mr. Deans: The minister lost us, start over. What was that about?

Mr. Shulman: What party was this person with?

Mr. Renwick: The minister's marbles aren't on this side of the House.

Hon. Mr. Winkler: Right over there, right.

An hon. member: He says he is sitting in the House right now.

Hon. Mr. Handleman: One of the hon. members opposite asked me what I had to say about having lost my marbles, which I was accused of having done because I very—

Mr. Shulman: Which party?

Hon. Mr. Handleman: Well, I think—

Hon. Mr. Winkler: For heaven's sake, Morty, you know.

Mr. Shulman: I want to hear him say it.

Hon. Mr. Handleman: The hon. member for Brant (Mr. R. F. Nixon) knows the person quite well, and that's where the question came from.

I just want to say the quid pro quos have been outlined to the House on a number of occasions.

Mr. Shulman: This is not your psychiatrist who said this?

Hon. Mr. Handleman: No.

Mr. Cassidy: A psychiatrist would not be so kind.

Hon. Mr. Handleman: No, a person in this House.

Mr. Chairman, these grants are quite clear; they are quite consistent. They have been made available to all the municipalities, and we are in fact dealing with full councils. We are dealing with heads of councils. We are dealing with regional councils, and obviously they will not enter into any agreements with the province until they have council resolution. No mayor or reeve or chairman of the planning committee is in any position to bind his council to an agreement with the province. So they will have to be presented to the full council.

We have indications from our private negotiations that there is a great deal of success being met by our negotiators; by myself and by my staff who are going out meeting these people personally. While the results perhaps are not as quick to be seen as we would like, I've expressed my impatience about that. I hope we will very shortly be able to bring to the House a progress report showing exactly what has been achieved in certain areas. That doesn't mean we've achieved success in every area because the problems are not the same in all of them.

Mr. Cassidy: You are not kidding about that. I hope we will very shortly be able to bring concrete results to the House. Talking about it doesn't build any houses.

Hon. Mr. Handleman: The houses are being built. I think you protest a little bit too much.

Mr. R. F. Nixon (Leader of the Opposition): In spite of your action programme.

Mr. Cassidy: The prices are spiralling like crazy.

Hon. Mr. Handleman: The hon. member is now getting off onto another matter. He can ask me tomorrow, though, what has happened to prices according to the real estate people in Metro Toronto and Ottawa.

Interjection by an hon. member.

Hon. Mr. Handleman: I really don't understand his concern about the programme. If he would like to have a copy of the press release I would be glad to supply him with it. I can tell him briefly we are offering to the municipalities a scaled down unit grant, just like another lot levy.

Mr. Cassidy: I know that.

Hon. Mr. Handleman: You know that; okay. And the formula we put to the developers, and Mr. Strachan made this quite clear, is that in any development in which they come into the housing action programme they will transfer 10 per cent of the lots at book value for a home which serves the under $14,500 income group it is the HOME programme we are talking about. We have asked for 30 per cent or some other percentage of their lots, to be negotiated which will be built on to sell to the people who don't qualify for HOME but are still in the moderate income group.

We are talking about $18,000. That means houses under $40,000 in price and scaled down to meet everybody down to $15,000. We are talking about $35,000. That means house prices from $35,000 to $40,000. And for the remainder of the subdivision we are asking for a variety of concessions, whether they be rollback in lot prices, or fixed prices. There is not any way a developer in this day and age can have a large percentage of its development in HOME lots and another larger percentage for people on moderate incomes and expect to sell Cadillac-style houses on the rest of it. It just doesn't make sense. We think the total programme will result in a good mix of housing, in vastly increased quantities; and the lot levies we are willing to pay the municipalities will ensure the existing ratepayers in those municipalities that they will not have to pay for the cost of residential expansion in their municipalities.

Mr. Cassidy: Mr. Chairman, I apologize to the minister for the fact that his press release about the housing action programme passed over the province with nary a trace or barely a trace. I was asking people on the front bench of the NDP whether they recalled it, and until the minister actually outlined its contents I'm afraid none of us was able to recall it. Now I do recall it! I did see it. It was sent around.

The point I was making was the following —the comments of Mr. Strachan were obviously well taken—a long time ago the minister should have talked about these policy areas rather than bringing them in only six months after the creation of the Ministry of Housing. That should have been done a long time before and there should have been an opportunity for debate about those particular guidlines.

If I can point out to the minister right now, to say that only 10 per cent of the lots will be made available for families earning under $14,500 says an awful lot about this government's housing programme.

If I can return to my figures here, back in 1972 only 28.3 per cent of the population earned more than $15,000. You escalate that a bit for time and something like 60 per cent of the families in the province earn less than $14,500. Yet only 10 per cent of the new lots coming onto the market in areas where the action programme is going to apply will be devoted to those families.

Moreover, the housing action lots will not be all the lots coming onto the market in those particular municipalities but only a proportion. Therefore we are talking about a few thousand lots in order to meet the pent-up demand of 60 per cent of the population people who consistently over the past few years have been shut out of the market. That is simply an inadequate answer.

If the minister means business about providing housing at prices people can afford, then he will do better than setting his sights on having only 10 per cent of the housing being built under the programme costing less than $35,000. Yet that is the admission the minister is making tonight in talking about the programme.

If I can go on—the minister shakes his head —he says 10 per cent of the lots will be made available at cost under the HOME pro-

gramme only 10 per cent. He says about 30 per cent should be made available for people in the income category from $15,000 to $18,000. Is that correct?

Hon. Mr. Handleman: From $14,500.

Mr. Cassidy: From $14,500 to $18,000, okay.

I don't know how big that particular group is, but the minister also quoted specific figures—I jotted them down here—that those houses would be in the price range of $35,000 to $40,000. Without going into too great a series of calculations, the monthly cost of those homes is going to be in the order of $350 to $400 a month, if you take computed interest on down payments and that kind of thing. In the case of many young people they borrow every penny they put into a house, and therefore the real monthly cost of that housing will be $350 to $400 a month. Yet the minister simply accepts that. He is now saying that the remainder of the housing built under the housing action programme, and for which presumably these bonuses will be made available—60 per cent of the lots—will be for houses costing more than $40,000. Is that correct?

Hon. Mr. Handleman: I didn't say that.

Mr. Cassidy: That's what the minister said according to the figures he has given here. This is why these things need debating. It seems clear to me that the minister is making recommendations to cabinet under this Act and is now seeking agreements with municipalities to implement those recommendations which will have the effect of ensuring that at least 60 per cent of the houses which come onto the market under his programme will cost more than $40,000 and more than $400 a month. Maybe the minister can answer that before I go on?

Hon. Mr. Handleman: Mr. Chairman, I think we are getting far afield from the amendment which is before the committee. I have no objection whatsoever to responding to the member but I don't want to get into a debate on the details of the housing action programme, unless you think it's in order.

What the member forgets, Mr. Chairman, is that when people move into a house they have generally left some kind of shelter behind. Generally speaking, the shelter they have left behind is lower in price than the one they have moved into.

This programme is not going to provide, nor is any programme ever going to provide, a new house for everybody who wants one in the province. We're talking about providing decent shelter at prices people can afford. The member knows as well as anybody here that there is a domino effect to increasing the supply and this is what we're talking about in the housing action programme. If he's read the Comay task force report he knows full well that the principle established in the recommendation was to increase the supply of serviced land.

I would hope that the success of the housing action programme will be indicated by all the serviced land which we propose to open over the next three years not even being built upon, because it will be surplus to requirements. Really, that's the aim of the programme.

In the course of creating the over-supply which we hope to achieve, we have asked for certain very specific conditions from the developers. We've asked the municipalities to accept their burden. The conditions as I've outlined them, in the view of our ministry and in the view of the government which has acceded to this recommendation, will achieve what Comay sought to achieve by his recommendation.

I really don't think you can play around with figures and say it should be more than 10 per cent. It may very well be in some areas, because the quid pro quos are always going to be subject to negotiation. When a particular developer is not able to do certain things because he bought his land recently we may, in fact, achieve a greater percentage than that. We may in fact achieve a rollback in some cases, but these are all subject to negotiation.

The purpose in asking for this amendment, and why it should be approved and approved quickly, is that we can't really enter into any binding agreement without it. I hope every member of this House will support me in my efforts to get firm binding agreements which will help achieve some measure of success for this programme in 1974. The 1974 building season is proceeding and we hope to be able to have binding agreements before all the builders in the province are firmly committed to their regular production which obviously, unless they thought about it in advance, doesn't include 10 per cent of the land for HOME or homes for moderate income earners. We must have this in order to achieve these agreements before those shovels get too far into the ground, Mr. Chairman.

Mr. Chairman: The Leader of the Opposition.

Mr. R. F. Nixon: Mr. Chairman, I realize the member for Ottawa Centre wants to continue his train of discussion.

Mr. Cassidy: Go ahead.

Mr. R. F. Nixon: Thank you very much. I really have a couple of reservations to express. I don't really see why the Minister of Housing requires this special authority to enter into an agreement with municipalities, regional and otherwise. One would have thought the consecration of a new ministry and the elevation of the second minister would have given him whatever powers were needed to fulfil the prime responsibilities of this ministry. However, his experts have decided this special authority is required and we must, of course, debate the bill and discuss its specific provisions, section by section, as we're doing at the present time.

I'm surprised, really, that the minister has brought the legislation before us in the first place.

Secondly, I must say that it may very well be your intention, Mr. Chairman—

Mr. Cassidy: Are you going to do a flip-flop and vote against it, too?

Mr. R. F. Nixon: —to allow this to be a vehicle for a full discussion of housing policy. If so, I think that might be very appropriate since this minister has, in my view, one of the top responsibilities in government now.

I've said to my friend the present Attorney General (Mr. Welch), how fortunate it was for him to shuck that off after only three or four months and hand it over to the new minister from the eastern part of the province. The former minister has retired to the relative anonymity of the Attorney Generalship and has left this particular problem to the new Minister of Housing.

We want a discussion, evidently, of the specific contracts and agreements into which he will be entering. He himself is pleading for support on all sides for the authority to enter into these contracts.

It interested me that his estimates which were tabled a couple of days ago show a reduction of about $100 million in the money which would normally have been available to the ministry. The explanation is that the purchase of land in the Pickering area is no longer a matter of substantial expense so he doesn't need the money. Surely the minister is aware that he shares his responsibility with the Treasurer (Mr. White), particularly his planning responsibilities, and if ever there were specific agreements and powers required it's in province-wide planning.

The minister is saying: "Of course we don't need the extra $100 million to purchase property for a land bank or for a new town or whatever it is, because Pickering is under way." Meanwhile, his colleague the Treasurer, who just returned from Paris a few days ago and is once again absent from the House—

Hon. Mr. Wells: Oh, oh!

Mr. R. F. Nixon: All right. He is the man who is entering into an agreement with the regional municipality of Haldimand-Norfolk, at least this is a real possibility. It's May 7 now and the time limit is the end of this month to purchase another substantial townsite which will cost the people of the province, the taxpayers, many millions of dollars.

It seems to me that the division of this particular responsibility to enter into binding agreement, which is what we are talking about here, is unnecessary.

I have a feeling the Minister of Housing doesn't know what the Treasurer is up to, that the Treasurer is negotiating in his own little sphere, dealing with the councils of Haldimand and Norfolk and asking for their views. In my view this is a laugh, because he is retaining all of the authority to make the decision himself. But if he decides to proceed to pick up the options on the substantial area of land in Haldmand and Norfolk for a completely new townsite, it will be this minister who will have to find the money to buy the property.

I would like to ask the minister, since we are in committee, if in fact one of the agreements he envisages would be a commitment of many millions of provincial dollars to an agreement which, in my view, might very well be entered into three weeks from now for the purchase of this substantial townsite in Haldimand-Norfolk. Is that one of the powers he is asking for? Or is that left with the Treasurer who insists on calling himself the chief planner?

Hon. Mr. Handleman: Mr. Chairman, the answer to the question is quite simple; no, it is not within the plans of our ministry. The power which is being requested here has nothing to do with the purchase of land, which we have always had the power to do under the Housing Development Act. There is simply no lack of power to purchase land,

either unilaterally through provincial funding or jointly with the federal government. We have always had that power.

Mr. R. F. Nixon: I would like to ask you, if the Treasurer proceeds with a decision to purchase this new townsite in Haldimand-Norfolk, will it be purchased in some other way than the Pickering purchase over the past two years? That has evidently, by sort of residual agreement, been left with the Ministry of Housing to pick up the pieces that remain there.

Hon. Mr. Handleman: Mr. Chairman, I have already said that our ministry is not involved in any purchase of land of the nature outlined by the hon. member. I suppose he should wait and he can perhaps ask the Treasurer during question period.

Mr. R. F. Nixon: I don't want to pursue this unduly, but surely the money that comes forward in the estimates of the Ministry of Housing is directed towards the Pickering purchase programme, I don't see how the Haldimand and Norfolk purchase could be any differently administered.

Hon. Mr. Handleman: There is an amount in our estimates, Mr. Chairman—we are getting back to the examination of estimates—there is an amount in our estimates for the purchase of North Pickering; Haldimand-Norfolk is not involved.

Mr. Chairman: The member for Ottawa Centre.

Mr. Cassidy: Mr. Chairman, I want to ask the minister, still related to the recommendations that he may have been making to the cabinet—that is the guidelines, in other words, under which—

Mr. Chairman: Has this to do with this amendment?

Mr. Cassidy: Yes.

Mr. Chairman: We are not discussing the whole housing programme. That comes under the estimates.

Mr. Cassidy: We are discussing the recommendations made by the minister.

Mr. Breithaupt: No.

Mr. Cassidy: Pardon?

Mr. Chairman: We are not discussing the whole estimates—

Mr. Cassidy: We are discussing, as we have been, Mr. Chairman, the—

Mr. Chairman: Order please. We are discussing whether certain powers should be given to the minister, and we are not discussing—

Mr. Cassidy: That's right.

Mr. Chairman: Order please.

Mr. Cassidy: Yes. I've—

Mr. Chairman: We are not discussing the whole Ministry of Housing Act; we are not discussing the housing action programme, not tonight. This discussion concerns whether certain powers should be given to the minister.

Mr. Cassidy: Under section 7 of the Act, Mr. Chairman, it's so broad and wide-sweeping that we could be here for three days.

Mr. Chairman: We are not on the housing action—

Mr. Cassidy: The minister knows that we don't intend to be here for three days discussing that, we'll have a chance to do that under his estimates. However, the House is also aware that the housing estimates last year came up very late. We know that the minister, without this kind of scrutiny will simply go ahead and make his decisions and do it without any kind of public scrutiny whatsoever. This is an opportunity to—

Hon. Mr. Handleman: That's not true, Mr. Chairman.

Mr. Cassidy: True.

Hon. Mr. Handleman: It's done by order in council and I have already said that.

Mr. Cassidy: It's done by order in council, but there is no public scrutiny of that until after the fact. Nobody sits in on the cabinet. People don't bug the cabinet room. We're not there, the press isn't there, the public up here aren't watching the cabinet. You make your decisions by order in council and announce them after the decisions.

I want to ask what recommendations the minister is making for housing the 60 per cent of the population of Ontario who have incomes under $12,000 a year. It appears they will be marginally entitled to some of those lots—about 10 per cent of the lots are being made available under the housing action programme.

In view of the minister's reply to the member for Hamilton-Wentworth, I assume he

would agree that people earning less than $12,000 and acquiring HOME lots should probably not be owners of existing housing. There is no domino effect there. Those purchasers will be drawn from the 50 per cent of residents in our cities who are now tenants. Now what recommendations is the minister making for them and how effective will those recommendations be?

Hon. Mr. Handleman: Mr. Chairman, the hon. member has a penchant for dealing with everything in isolation from everything else. The whole housing programme is designed to meet a variety of needs. One would think from the hon. member's comments that the 10 per cent we are providing in the housing action programme for home units is the only HOME programme that is ever going to happen in this province. We have had and will continue to have a very successful home ownership programme in the province which is completely apart from the housing action programmes.

You know it would be nice, Mr. Chairman, if we had these nice, easy, simplistic solutions to every complex problem. There just aren't any. We have a variety of recommendations to deal with those under $14,500—our HOME units, integrated assisted rental programmes, non-profit housing, Ontario home renewal programmes and NIP.

We have a variety of programmes and the hon. member knows it. But it does seem to me, Mr. Chairman, that an amendment to the Act such as this should not be the vehicle whereby we can examine the entire programme of the ministry. I'ts a very complex and exhaustive programme.

I ask you, Mr. Chairman, to rule on that as a point of order.

Mr. Chairman: I declare any further discussion on the housing action programme out of order because it is not the purpose of this particular bill.

Mr. Cassidy: Mr. Chairman, the minister went into this and the government went into this by creating the need to bring in this particular amendment because they did not include it at the time the Ministry of Housing Act was brought forward the first place. I am not responsible for the ministry's incompetence or for the government's incompetence. I think it was the Premier (Mr. Davis) who brought forward the bill at that particular time. It is their fault that the minister says he needs the power now. He could have asked for the power at that time.

Just a couple of other questions, Mr. Chairman, that I would like to ask. Can the minister tell us what recommendations he is making for the financial support of municipal land assembly; and can the minister tell us what on earth is the Ontario Mortgage Corp.?

Mr. Chairman: This will come up in his estimates.

Mr. Cassidy: These are all recommendations, Mr. Chairman, which are to be made under section 7 and now to be implemented under the Act.

Mr. Chairman: Order, please. You could discuss the whole housing programme philosophy for hours. It has nothing to do with this particular bill. It is not appropriate in here. It is appropriate in estimates under the Ministry of Housing.

Mr. Cassidy: Okay, I would just point out, to put it on the record, Mr. Chairman, that what we have found out about that particular programme tonight is that only 10 per cent of the lots will be made available for people earning less than $14,500 a year, despite the fact they comprise about two-thirds of the population of the province. And I think that should go on the record very clearly, because it contributes to the failure of the housing programme of the government.

Mr. Chairman: That is on record. This discussion is out of order.

Hon. Mr. Handleman: Mr. Chairman, I would like to reply. The hon. member brought up the question of municipal land assembly, and I simply want to say there will be legislation specifically dealing with that. The hon. member will have full opportunity to debate it, both in principle and clause-by-clause at that time; and I hope it will be within a few days.

Mr. Chairman: Shall this bill be reported?

Bill 36 reported.

Hon. Mr. Stewart moves the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports one bill with certain amendments and one bill without amendments and asks for leave to sit again.

Report agreed to.

CITY OF NIAGARA FALLS

Mr. Morningstar moves second reading of Bill Pr12, An Act respecting the City of Niagara Falls.

Motion agreed to; second reading of the bill.

TOWN OF OAKVILLE

Mr. Kennedy moves second reading Bill Pr27, An Act respecting the Town of Oakville.

Motion agreed to; second reading of the bill.

CITY OF TORONTO ACT

Mr. Renwick, in the absence of Mr. Wardle, moves second reading of Bill Pr30, An Act respecting the City of Toronto.

Motion agreed to; second reading of the bill.

THIRD READINGS

The following bills were given third reading upon motion:

Bill Pr12, An Act respecting the City of Niagara Falls.

Bill Pr27, An Act respecting the Town of Oakville.

Bill Pr30, An Act respecting the City of Toronto.

Clerk of the House: The 18th order, concurrence in supply for the Provincial Secretary for Justice.

CONCURRENCE IN SUPPLY, PROVINCIAL SECRETARY FOR JUSTICE

Resolution concurred in.

Clerk of the House: The 19th order, concurrence in supply for the Ministry of the Attorney General.

CONCURRENCE IN SUPPLY, MINISTRY OF THE ATTORNEY GENERAL

Resolution concurred in.

Clerk of the House: Order for concurrence in supply for the Ministry of the Solicitor General.

CONCURRENCE IN SUPPLY, MINISTRY OF THE SOLICITOR GENERAL

Resolution concurred in.

MASTER AND FELLOWS OF MASSEY COLLEGE ACT

Mr. Parrott, in the absence of Hon. Mr. Auld, moves second reading of Bill 34, An Act to amend the Masters and Fellows of Massey College Act, 1960-1961.

Mr. Speaker: The member for Kitchener.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, it is interesting to see this bill come before us. It's perhaps the shortest bill which has come before us in some years in that it simply deletes the word male from those who may become junior fellows of Massey College.

The development of Massey College has been a rather interesting one and there are now, I understand, some 60 residential and some 24 non-residential students. It is obviously hoped there will be some female persons who will wish to seek membership in Massey College and that is indeed to be encouraged. Surely there should be no distinction based on a person's sex as to ability to attend graduate studies or to seek a higher degree at the University of Toronto, or indeed at any of the other universities provincially supported within the Province of Ontario.

We certainly will approve of and give our support to the bill.

Mr. Speaker: Does any other member wish to participate in the debate on the motion for second reading of Bill 34?

Mr. J. A. Renwick (Riverdale): I wouldn't want it to be said that we are in favour of discrimination. We agree with the principle of the bill, Mr. Speaker.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Sometimes the opposition members are reasonable.

Mr. Speaker: Does the hon. member wish to comment on behalf of the minister?

Mr. H. C. Parrott (Oxford): I really have very little to say except that I accept their comments. As a person who had the opportunity to spend a short time at that institution in about 1964—not unfortunately, as a fellow; I think they called me a summer

replacement—it's a pleasure to be a part of this bill and to accept the comments of the two other parties.

Mr. P. D. Lawlor (Lakeshore): Was the member exposed to Robertson Davies?

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading? Agreed.

ONTARIO EDUCATIONAL COMMUNICATIONS AUTHORITY ACT

Mr. Parrott, in the absence of the Hon. Mr. Auld, moves second reading of Bill 33, An Act to amend the Ontario Educational Communications Authority Act.

Mr. Speaker: The hon. member for Kitchener.

Mr. Breithaupt: Mr. Speaker, this again is a minor bill, but it does really deal with an interesting principle. The principle, of course, is the use of civil servants as members of boards of directors of various provincial government organizations.

Now in the explanatory note we are informed that in fact the requirement is that not fewer than three or more than four be civil servants. But I notice that, really, dealing in subsection one, we have the view that in fact no members shall be civil servants. So that we're not only removing a certain basic number requirement, but in fact barring civil servants from membership on the authority, and I assume that this may well follow in other items of government legislation.

I would be interested in hearing from the minister as to the reasoning behind this so that we can see where the government's philosophy in this matter is leading.

Mr. Speaker: Is there any further discussion in this debate?

Mr. Renwick: Mr. Speaker, we agree with the principle of the bill.

Mr. Speaker: Does the hon. member wish to respond on behalf of the minister?

Mr. Parrott: I think the purpose of this amendment—to the hon. member for Kitchener—was simply that it's very difficult for people in the civil service on occasion not to have some conflicts. I think in fairness that it's correct to say the people of the civil service will of course be available for consultation. And with that principle in mind, we felt this would bring a greater sense of participation to the public, and therefore this amendment was put in that vein.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

THIRD READINGS

The following bills were given third reading upon motion:

Bill 14, An Act to amend the Territorial Division Act.

Bill 33, An Act to amend the Ontario Educational Communications Authority Act.

Bill 34, An Act to amend the Masters and Fellows of Massey College Act, 1960-1961.

Bill 36, An Act to amend the Ministry of Housing Act, 1973.

Bill 53, An Act to amend the Financial Administration Act.

Clerk of the House: The 20th order, House in committee of supply.

ESTIMATES, MINISTRY OF GOVERNMENT SERVICES

Mr. I. Deans (Wentworth): Mr. Chairman, before the minister proceeds with the estimates, I want to raise with you a point of aggravation.

Mr. J. R. Breithaupt (Kitchener): There's a new one.

Mr. Deans: I don't think it's too much to ask that we be given some notice about the order in which the estimates are going to be called. Now I received from the House leader of the government a list, which I agree was tentative, but the Ministry of Government Services was some considerable distance down the list. I don't ask to be given weeks of notice, I don't even ask to be given many days of notice, but surely—

Mr. P. D. Lawlor (Lakeshore): We like to be given some notice.

Mr. Deans: In order to make the work of the House reasonably effective, it makes some

sense that I could be given at least hours of notice, even two or three hours of notice.

Interjection by an hon. member.

Mr. Deans: Now I don't understand how it is that we're expected to deal effectively with these estimates. Whether you know it or not, Mr. Chairman, the role of the opposition is in fact a constitutionally accepted and guaranteed role. And the role of the opposition requires, surely, that it be given some consideration in terms of dealing with the estimates of the government.

The estimates are very important; the expenditures of public funds, particularly in this ministry, are of considerable importance to the people of the Province of Ontario. All that is required is for the House leader to stand from time to time and to give us some indication of the order in which he intends to proceed.

I can't for the life of me understand how it is that we come across this position every single day of the week. I don't think I am being unreasonable. I don't for one moment expect the House leader will know all that is going to occur, nor do I expect he will be able to anticipate every single whim of the Legislature. I understand that things happen around here which occasionally throw things a little out of kilter.

An hon. member: They certainly did today.

Mr. Deans: But I can't help it if there are problems that arise over the procedure of legislation through the House.

Mr. M. Cassidy (Ottawa Centre): Not our fault.

Mr. Deans: But I do expect—I mean, we were ready for the Ministry of Agriculture and Food if you must know; we were prepared to proceed with Agriculture and Food today. We were not prepared to proceed with the Ministry of Government Services, because Government Services is yet three estimates away on the list.

Mr. Chairman: I think the member for Wentworth has made his point now. Have you any comments, Mr. Minister?

Mr. Deans: Well I ask the government House leader if he will consider proceeding with either Agriculture and Food or calling the other estimates tomorrow in order that we might proceed in a reasonable manner; and for heaven's sake let's talk a little bit.

Mr. Lawlor: It's a disgrace.

Mr. Deans: I know you don't want to talk to us, but let's try it and see if it won't work.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Chairman, the member for Wentworth knows that's the most ludicrous thing he could say.

Mr. Deans: Why?

Hon. Mr. Winkler: He knows that he has more co-operation out of this House leader than he has sometimes out of his own outfit. He knows that; and he knows it very well. I did my utmost this past week to give him a full week's business.

An hon. member: Why didn't we get notice?

Mr. Cassidy: When in doubt, attack.

Hon. Mr. Winkler: So if the routine of business happens by chance to be subverted by certain manoeuvers on the other side of the House, I don't object to that.

Mr. Cassidy: You have the Minister of Agriculture and Food (Mr. Stewart) right here.

Hon. Mr. Winkler: I don't object to that.

Mr. M. Shulman (High Park): The Minister of Agriculture and Food is here.

Interjections by hon. members.

Hon. Mr. Winkler: Notice was given today in regard to the matter of consideration of the Ministry of Government Services; and I suppose maybe if you didn't get it I will take that responsibility. It may have been that I couldn't communicate with you at that time. But no one knows better than you how we co-operate over here. Not one soul of you can deny it.

Mr. Deans: This is the second time this week. It's only two days old, for heaven's sake.

Mr. Chairman: Order, order.

Mr. Deans: The week's only two days old—

Mr. Chairman: Order.

Mr. Deans: —and we have had two major confrontations over the same kind of thing.

Mr. Shulman: The Minister of Agriculture and Food is here; why don't you go ahead?

Hon. Mr. Winkler: I am not finished, Mr. Chairman. The thing that aggravates me—

Interjections by hon. members.

Hon. Mr. Winkler: —and I know I shouldn't let it, as House leader. I know that; but for that member to say that this evening—

Mr. Lawlor: If you know it, then don't do it.

Hon. Mr. Winkler: They were so co-operative when the crowd was with us earlier this evening that this is appalling to me; just absolutely appalling to me.

Mr. Deans: Oh what are you talking about?

Hon. Mr. Winkler: And I tell you I give good and sufficient—

Mr. Deans: What do you mean?

Hon. Mr. Winkler: Well you know.

An hon. member: You're hurting his feelings.

Mr. Deans: What are you talking about?

Hon. Mr. Winkler: Goodness sakes! I don't have to explain any of those manoeuvers to you. I can tell you that. You know all about them in the first instance.

Mr. Shulman: Why are you not doing Agriculture and Food?

Hon. Mr. Winkler: And I can tell you the Minister of Agriculture and Food couldn't be here on Thursday, and therefore—

Interjection by an hon. member.

Hon. Mr. Winkler: I am not going to fracture the whole business. With the same policy field being held downstairs you'd be the first one to get up and criticize that, too. You'd be the first one.

Mr. Deans: Well why didn't you tell us?

Hon. Mr. Winkler: So I tried to avoid those arguments; I tried to avoid those arguments by being reasonable.

Mr. Deans: Well why won't you tell us?

Mr. Cassidy: You didn't avoid conflict in Justice Secretariat downstairs when it occurred.

Hon. Mr. Winkler: If you didn't know, I regret that; but I certainly did pass the information across the floor.

Mr. Deans: To whom?

Hon. Mr. Winkler: Now the Minister of Consumer and Commercial Relations (Mr. Clement) has to be away too in the course of the next few days; and the Minister of Industry and Tourism (Mr. Bennett) was not available to me. Therefore I called the Ministry of Government Services.

Mr. Cassidy: In other words, you can't run the show.

Hon. Mr. Winkler: The minister, out of the great generosity of the service he gives to this province, volunteered to come this evening; and I then saw fit to call him.

Mr. Breithaupt: If I might be allowed to make a brief comment on this matter. I realize, as do all members of the House, that the business that was otherwise planned for this afternoon did not go quite as it no doubt had been expected; and that bringing in the Ministry of Government Services or changing the order of business, is something which the government House leader has to attend to on occasion without very much notice.

That having been done, I am wondering if the House leader can advise us if it will be, all things being equal, his intention to proceed after Government Services with Agriculture and Food; and similarly with Transportation and Communications after Natural Resources; so that at least we could have some general idea of what would be coming next in the due course of events after several days?

Hon. Mr. Winkler: Mr. Speaker, I first of all want to thank the House leader of the official opposition for his moderate and sensible approach; and I will say to him, yes.

Mr. Cassidy: Doesn't the minister get the same from us?

Mr. Deans: The difference, of course, is that the minister told the member it was coming up; he didn't tell us.

Hon. Mr. Winkler: The member wasn't in the House; that's his business, not mine. I walked across the floor.

Mr. Deans: The minister walked across the floor.

Mr. Cassidy: The minister is immoderate and nonsensical in his methods and in the management of this House.

Hon. Mr. Winkler: If I ever met an immoderate person in my life, it is the member for Ottawa Centre. He costs this province more money than any other individual in the House; and everybody in Ontario should know it.

Mr. Lawlor: He makes a greater contribution.

Hon. Mr. Winkler: Well maybe the member is second; I am not sure.

Mr. Chairman: Order.

Hon. Mr. Winkler: Mr. Chairman, again I will return to the reasonable approach. I will say to the hon. member—

Mr. Cassidy: The minister couldn't even stay in the caucus in Ottawa.

Mr. Chairman: Order please.

Hon. Mr. Winkler: So long as the Ministry of Agriculture and Food does not conflict with the next ministry in standing committee outside of the House, the answer to that is, yes. If it is otherwise. I will certainly inform the House accordingly.

I would say that on Thursday we will move back to the consideration of Bill 54; and if we conclude that we will then proceed further with the consideration of the estimates of the Ministry of Government Services, as well as Friday morning. On Monday we will participate in the budget debate.

Mr. A. J. Roy (Ottawa East): Mr. Chairman, could I ask the government House leader one question? Would he be prepared to withdraw his comments when he suggested this afternoon that we in the opposition had subverted the activity of the House? If the minister looks at the record he will see it was because the Minister of Revenue (Mr. Meen) could not make up his mind what to call the bill he presented. We did not subvert it; we made an ordinary protest.

Hon. Mr. Winkler: Yes, Mr. Chairman, I will withdraw the word "subverted" and call it convoluted.

Mr. Chairman: Order. The members are out of order; we are now on the minister's estimates.

Mr. Deans: I rise on a point of clarification.

Mr. Chairman: What's the point?

Mr. Deans: I want to be clear. The minister said that on Thursday we would proceed with Bill 54. Now, I want to be sure. Is it Bill 54 we are proceeding with or Bill 25?

Hon. Mr. Winkler: I beg the member's pardon; he has me there. I am sorry about that.

Mr. Deans: Don't tell me I was right for a change?

Hon. Mr. Winkler: Yes, for a change the member was right.

Mr. Deans: Well, for heaven's sake. Now how about the minister admitting that he should have given us notice? In holding this back—

Mr. Chairman: Order. The member got his point of clarification. Does the Minister of Government Services wish to say anything at this time?

Hon. J. W. Snow (Minister of Government Services): Mr. Chairman, I too was not expecting to proceed with the estimates of my ministry this evening, but because of—

Mr. Deans: When did the minister get notice?

Hon. Mr. Snow: About a half an hour ago.

Mr. Deans: Half an hour. Does the minister know he got 25 more minutes than I did? I never did get—

Mr. Cassidy: Now the House leader is deserting the minister.

Hon. Mr. Snow: Mr. Chairman, I was not, as I say, anticipating proceeding with my estimates quite as early in the session because of the preliminary schedule that I too received a few days ago. But I had notified the House leader I was prepared to proceed with my estimates, and I am now prepared to proceed.

Mr. Deans: Isn't the minister going to make an opening statement?

Hon. Mr. Snow: No, I am prepared to discuss the estimates.

Mr. Deans: In other words, he isn't ready.

Mr. Chairman: The hon. member for Essex South.

Mr. D. A. Paterson (Essex South): Mr. Chairman, I would like to state that we are prepared in the Liberal Party

I regret the member for Welland South (Mr. Haggerty) isn't present this evening—he is engaged elsewhere—as he is our official critic in this department. I am quite willing to stand in his place this evening and give a few opening remarks on behalf of our particular party.

There are two or three areas I would like to discuss, Mr. Chairman, with the minister.

We are pleased that today the capital works programme was tabled with us, and in that there are several areas of concern to me.

In the area of "approved for construction," I have been looking through this and note the estimated project cost and what was budgeted for this year to fulfill these projects. One is a poultry unit and turkey unit at Arkona for the Ministry of Agriculture and Food, and the estimated project cost was $1,590,000. This is on page 8, Mr. Minister, and this year you are budgeting slightly over $1 million for that.

Similarly, with the long-needed court house in the city of London, you are having to spend another $1.7 million. Are these expenditures just a continuance of the actual contract that was signed with the builders in these cases, or has there been an escalation in the building costs by your ministry? I would assume this is something that must be of great concern to you and your senior officials, the great escalation of cost in building. I just wonder how firm the contracts are that you have in the "approved for design" list. Have they been put out to tender? Do you have firm tenders? Do these have to be signed and initiated within a short period of time? I would assume as a contractor that I would want to have the bids agreed upon at an early date.

On page 14, Mr. Minister, I was quite shocked when I read the estimated project cost and contract price concerning the alterations to the legislative building. Several months ago it appeared in the press that the dining room and ancillary facilities were going to cost in the neighbourhood of some $700,000 which I deem to be quite an exorbitant amount of money to spend. But here in the official document, the estimated project cost is in excess of $2 million for all these facilities. I just wonder what expenditures were made over and beyond the construction that was done in the former basement of this particular building that would cost so much. The facilities certainly are wonderful and are open to the public, and this building is irreplaceable, but it just seems to me that this is really a substantial amount of funds to have expended in this regard.

Now in relation to the auditor's report, Mr. Chairman, there were a couple of areas of comments that were made by the Provincial Auditor, and possibly the minister can comment on these. The first is on page 44 of that report. It is a recommendation, article 75, concerning the: "Unsatisfactory status of the bank reconciliations, Minister of Government Services."

In this they are talking about the currently sloppy accounting or incomplete records with respect to several programmes with which your ministry is charged. It is my understanding there were seven specific recommendations made to your ministry by the auditor in this regard. I just wondered if you could possibly detail those particular recommendations and advise the House as to how many of them have been proceeded with to clean up these particular areas of concern.

In this particular section I also note that the accounts relating to the tax relief for the elderly programme and the farm tax reduction programme are involved in this particular area of concern with the bank reconciliations. It was interesting to read in Saturday's media, I believe, that a recommendation had been made in regard to the adverse weather loans put forth by the Ministry of Agriculture and Food whereby these particular adverse loans possibly should be written off and forgiven. I just wonder if this would occur through your ministry or through the Ministry of Agriculture and Food.

The second point in the auditor's report deals with the unoccupied office space leased by the Ministry of Government Services. As I recall last year, Mr. Chairman, we had considerable debate in this regard. I might ask, in relation to this, if the ministry has made any new land acquisitions in the immediate area bounded partly by Wellesley, Bay and Yonge. Does the province now own all the buildings in this area or are there still some holdouts?

One interesting building over there that many of us pass—and I have never heard any comment on this—is the Driftwood Restaurant and Tavern on Bay St., next to the ministry garages. I just wonder what the arrangements are there. The premises are licensed, I assume from the indication on the sign outside, and I just wonder if the Ministry of Government Services in fact owns that particular facility and what the leasing arrangements are?

Each day, as I walk to and from my residence, I pass the new forensic science building under construction for the Ministry of the Solicitor General, and I enjoy watching the construction of that really magnificent building. I don't know the size of the staff it is going to accommodate, but I would ask if it is going to be filled strictly by personnel of the forensic science area of that ministry or is there going to be leased office space

for a period of time in that particular facility.

In the estimates themselves, Mr. Chairman, there are many areas of concern. I assume my colleagues will ask specific questions in this regard when these estimates come forth again and when the minister possibly has the expert advice available to him to answer them.

In relation to the acquisition and construction of physical assets, I note that there is some $73 million proposed in that regard. I assume that this is detailed in the capital works programme, but I would ask if there could be a breakdown of acquisition and construction by your ministry outside of the Metropolitan Toronto area.

I would also like to know if this construction is specifically for your ministry or on behalf of other ministries, as no doubt is the major case. Is your ministry constructing facilities for its own use in other parts of the province or is it doing this strictly on behalf of other ministries?

I find the section on leasing very interesting. This one word sort of whets the imagination and doesn't tell us very much. Under that heading there is an expenditure of some $39 million on leasing. Out of that is the administrative costs and so forth; but $37 million of that is headed up as services. I would really appreciate a little further explanation of what is termed services under a leasing arrangement.

Back several years ago—I believe it must have been about 1965—the Premier of the day announced a programme of some $200 million for land acquisition across our province. I know this matter has been brought up from time to time in relation to land acquisition and the changing policies of the various ministries. I note in this second vote that there is a section on land acquisition concerning the Niagara Escarpment area and I assume that you are still doing the purchasing for the Ministry of Natural Resources. I just wonder out of that $200 million that was set up as a benchmark of spending to acquire lands for the public of the province, how much of this has now been expended or whether this particular benchmark has been tossed aside and new priorities set up.

Of more interest to myself with the rapidly escalating rates of bank interest, in the area of the acquisition of properties and the leasing of properties, I wonder if the ministry could indicate as to what rates of interest there are or whether there are any rates of interest figured in when you are leasing buildings back to other ministries of the government or making contracts with private companies for the acquisition or leasing of properties. Has the rapid escalation in the interest rate affected in any way your projections for the fiscal year?

In reading through the estimates one of the major concerns of the Legislature is the employees or the maintenance staff in our own building here and the other buildings. No doubt other members will deal with salaries and so forth of these servants of ours in further detail but one thing that has come to my attention since the session resumed is what happened to the older gentlemen that used to be the attendants around these facilities? We know that the government in its wisdom moved in to an area of security guards that replaced these particular gentlemen. I assume this comes under your particular ministry.

Hon. Mr. Snow: It is under the Speaker.

Mr. Paterson: It has been of concern to us as part of the Legislature itself.

Another matter that has come to my attention of recent days is the matter of the press clipping service. I'm afraid I'm very vague on that. I know they were moved from this building up to Bloor St. but I understand there has been another move in the last few weeks and possibly a reduction in the services that are now being offered to the members. Possibly the minister could expand on that.

In the estimates, in the 1972-1973 year, we endorsed payment of some $29,750,000 but the ministry only spent $18 million, which is a fair amount to be underspent. I assume that these programmes don't all mesh within the business year of the government. When you relate the $18 million that was actually spent in that period of time with the 1974-1975 estimate of $36 million—this is on page G46, vote 704. You are requesting some $36 million for supply and services. In the 1972-1973 year you spent, the way I interpret it, some $18 million. You've either underspent or overestimated for this coming year, and I'd like to know why there is the great difference.

Further along on page G51, Mr. Minister, you have the group life insurance paid through your ministry; the policies or premiums are $2,600,000. I assume this will be raised again in greater detail. I would ask you at this time if these life insurance premiums are all with the London Life firm or are there other firms involved in this? Are

these reviewed from time to time and are any bids accepted from other insurance companies or agencies?

Hon. Mr. Snow: Excuse me, which item is that?

Mr. Paterson: It's page G51, group life insurance under employees' benefits.

In this section, in the standard accounts classification, you have the citizens' inquiry office. I think, since the inception of that particular office which expends some $167,000, I've only had one referral in my riding from that particular group of people. I know, as a relatively active member with my own constituents, I don't go an hour through the day without a direct inquiry; I really wonder, in discussing this matter with other members of the Legislature, how effective it is. I know we get reports of the thousands of requests—or hundreds of requests—which go through this office but I just wonder how legitimate these are, if they're all from the Metro Toronto area or whether the areas outside the Metro area are really being serviced by this particular office?

Under the management and information services programme, I assume that is basically built around the computer services and advice on administration and so forth? The term information caught my imagination for a minute. This is page G54, Mr. Minister. I assume this has nothing to do with the placing of advertisements on behalf of government ministries? I assume they all do their own. This information service is strictly to do with the computer and the expediting of facilities between ministries.

Possibly the minister might comment on this. Last year in the debates I realized we had quite a heated time discussing the government and the apparently locked-in position the ministry had with one or more companies. I wonder if the Ministry of Government Services has looked at other types of computer systems and is it possible to change these should they merit the consideration of both your ministry and other ministries?

The only other comment I would like to make, Mr. Minister, in relation to the minister's $224 million budget that has apparently increased by approximately 30 per cent from last year—and it is possibly a very minor one, but it could have some significance—is in relation to the cost of heat and light in these buildings and the other government buildings.

I know the minister experienced some difficulty in turning down the heat when the energy crisis was upon us last fall in relation to this particular building; but I just wonder if the reduction in the heat and the turning off of lights give the ministry any real savings in dollars. I know I have been conducting experiments along these lines in my own buildings, turning out certain lights and keeping the heat down, and we have realized a nominal saving. But I just wonder with the thousands of square feet of office space in these particular facilities, if there have been any economies achieved.

I think this concludes my opening remarks and we will be pleased to hear the minister's answers to the various questions that I have raised; and we will look forward to debating some of these issues with him.

An hon. member: No time to have a vote.

Mr. Deans: No time to have a vote.

I noticed a little item in here called "information." I saw it back here somewhere as I was glancing through the estimates; it just caught my eye. It just shows you what side I am on.

Mr. R. F. Nixon (Leader of the Opposition): I didn't know the member was the critic for this.

Mr. Deans: I didn't know I was the critic either. But I want to tell the minister something. The next time he decides to have his estimates called in the middle of the evening, for heaven's sake give a little notice. Not only notice that he is going to have his estimates called, but notice prior to the day before as to what the estimates are all about. I think it is reasonable to expect that members of the Legislature should have at least 48 hours to peruse the estimates of any ministry before they are expected to discuss them. And I think it is incumbent on the government to make sure that every member of the House has at least 48 hours to read over what it is that the public's money is going to be spent for and on, before we are expected to stand in this place and talk about whether or not it is being properly or improperly spent.

Mr. J. A. Renwick (Riverdale): When we are suspicious by nature, we wonder what the minister is trying to put over on us.

Mr. Deans: I want to tell the minister I am a bit suspicious by nature; I don't know how I got that way. I wasn't before I came here—but it's coming, it's coming.

Mr. Lawlor: See the effect it has on the personality; look what it did to you, Wally.

Mr. Deans: And I am going to tell the minister that when we receive on Monday volume 1, expenditure estimates 1974-1975, and have the estimates called on Tuesday, with five minutes' notice—

Mr. Renwick: I remember when Wally—

Mr. Deans: I suggest that it's totally and completely wrong, and is—

Hon. Mr. Snow: Mr. Chairman, on a point of order, I am sure the member for Wentworth is well aware that it was because of other circumstances that we brought these estimates on ahead of time.

Mr. Deans: I don't care.

Hon. Mr. Snow: I was preparing to proceed with the estimates on Friday, which had been the—

Mr. Renwick: He could not; we didn't have it on Friday.

Hon. Mr. Snow: —planned time. I distributed the capital programme today so that the members of the opposition could have adequate time to review it prior to my estimates.

Mr. Renwick: Well, we are very suspicious.

Hon. Mr. Snow: Because of the business of the House I am here earlier than anticipated.

Mr. Deans: Mr. Chairman, I want to make it perfectly clear I am not criticizing the minister for the fact that he is here. I wish he were here more often. What I am saying is this—

Hon. Mr. Snow: If the member were here as often as I am, he would be all right.

Mr. Deans: And the minister knows that is not so.

Mr. Chairman: Order, let's get back to the estimates.

Mr. Deans: What I want to say is this, that if we are expected to deal with the expenditure of funds, regardless of the inability of the government to order the business, it is reasonable to expect that we should be given ample time to look at these estimates to determine what exactly the funds are being spent on, and to come to some reasonable conclusions about the propriety of the expenditure of the moneys asked for.

Now, I commend the member for Essex South. He stood up and read very well. He did a good job, given that he had half an hour's notice; 50 minutes' notice. I haven't had 50 minutes' notice. But I want to tell the minister, it is not a matter of defending his position. It is not a matter of whether he was put in an untenable position by the House leader for the government. It is simply that we have the right to expect that he will not allow himself to be put in that position, that he won't allow the public to be put in the position of having their money spent without adequate scrutiny. I hope that we will never again see the minister hand out his estimates on Monday and have to debate the stupid things in the middle of the evening on Tuesday without any opportunity for reasonable discussion. Okay, let's go on with your estimates anyway.

I want first of all to tell you that I am delighted about one tiny thing. It's small, but important. For a number of years—I think seven now—I've been asking this ministry and its predecessor ministries, to put in some kind of facility for the guards. And I want to tell you that for the first time in seven years I've seen some evidence of humane treatment. You've finally gotten around to putting in something outside that will shelter them from the rather severe cold that surrounds this legislative building, notwithstanding the heat that is generated within it.

I want also to ask you a number of specific items. Exactly how much money has been expended by the government on the purchase of Niagara Escarpment and parkway land on behalf of the various ministries for whom you are purchasing? How much has been purchased both in terms of the money expended and the amount of land acquired? What are the projected expenditures and purchases going to be during the current year? I see the sum of money set out is rather small, considering the amount that the government obviously will have to purchase over the next number of years.

It certainly isn't in keeping with the Gertler report recommendations which suggested to the government that over a very short period of time they acquire a great deal of the land in the Niagara Escarpment. And it doesn't appear to be in keeping with the statements of the ministry of about a year and a half ago, in which they set out the terms and the amounts that they hoped to acquire by way of land for the parkway belt development. I would like to know from the minister in his answer just exactly what is intended in that regard.

I would also like to know what is intended to be done with the press clipping

service. It has reached my ears that perhaps it's going to be somewhat reduced in size and scope, and that the press clipping service will no longer offer the kind of services to the members that it has offered in years gone by. As one member who uses it, I happen to think it performs a very useful function. I'd like to know just exactly how much of the government money is now going to be funneled out of this legitimate government service into private companies outside of this building and why.

I'm told that there is to be a consultant firm hired by the government for the purpose of providing press clippings for many of the government ministries. I'd like to know exactly what the contract is to be, how much is to be spent, and whether or not it was tendered. I'd like to know exactly what kind of service is going to be provided by this outside agency and why it was necessary to move from what appeared, at least on the surface, to be a fairly effective way of providing members of the Legislature with much of the information that they require. I want to suggest two matters that are of concern to me. Over the course of the last two years we have dealt with investigations that included inquiries into the building of the Workmen's Compensation Board administration facility, and more recently, inquiries into the building of the Ontario Hydro head office. I don't quite understand why your ministry isn't more directly involved in ensuring that the funds of the public—as they are public funds in both of those agencies—are expended properly.

I don't understand why the Ministry of Government Services isn't involved in the preparation of and perusal of the plans. Or why Government Services is not involved in supervising the development of these two major projects in downtown Toronto. Or why it is that there are no checks and balances built into the government to assure that the money spent by both of these agencies is in fact well spent.

I want to ask the minister whether at any point in time he envisages his ministry being involved in the development of buildings for all the various government agencies, to ensure that in fact there is an accountability by those agencies, through this Legislature, for expenditures which they undertake.

It is time in this province that there was direct accountability of all agencies of government and the only way we are going to accomplish that is to attach them directly to the ministries. It may not be possible for us to get those kinds of answers from your friend, the Minister of Energy (Mr. McKeough), or from your friend, the Minister of Labour (Mr. Guindon), with regard to the expenditures in both of those facilities. In fact, if the facilities are being built for the Ministry of Labour or for the Ministry of Energy, the chances are—almost without exception—the development would take place through the Minister of Government Services.

I don't see why we have this circuitous route of having these agencies outside the government answerable to the public and to the government through a minister, and being allowed to continue on their merry way, developing as they see fit, without any checks or any balances. I suggest to the minister that he might give some thought to that particular problem.

Beyond that, I note in the minister's estimates there is a provision for funds for superannuation of some employees of the government. It seems time we should incorporate an escalation clause into any superannuation plan of government employees. It is time we took a very serious look at whether or not the amount being paid in keeping with the rising cost of living in the Province of Ontario.

I would like to know from the minister whether he made representation to his cabinet colleagues and to the Management Board to upgrade the level of compensation paid to these employees out of the superannuation plans within the ambit of his responsibility. I would like to know further whether this minister has ever given consideration to suggesting to the government, through the Management Board or through the cabinet, that there ought to be an adequate escalation clause built into the superannuation plans which would adequately reflect the ever-increasing burden faced by those who are retired civil servants, trying to maintain something called pace with the cost of living.

I think it is evident to all of us that if the government has failed in one responsibility, the responsibility it has failed in is ensuring that its retirees are adequately taken care of. I think this minister might well answer for the government at this point with regard to that particular matter because it is time—it is past time—for us to ensure that those who served the people of the Province of Ontario over the years and who were retired on superannuation plans far, far less than their needs are taken care of by this government.

Other governments have seen fit to do exactly what I am talking about. Other governments have seen fit to make payment to their retirees in order to bring them up to an ad-

equate level. I think this government could do likewise without very much difficulty.

I want, Mr. Chairman, to talk for a little while about a matter which has come to my attention and which distresses me considerably. That is the obvious battle between the Ministry of Government Services and the Speaker's office. We, on this side of the House, have despaired at the rate at which the Speaker's health has deteriorated. It has been whispered to me that it is because of the battle he is having with the Minister of Government Services. I don't doubt it; you are a pretty big fellow and he is not that large. I can imagine you in the back rooms sort of coughing it out together, trying to resolve who is going to take over the Legislature and all of the various services to members. I hate to think of what might happen if he stood up to you. It is obvious that his health is deteriorating and I think you should lay off him for a while and let him have control, as was recommended by the Camp commission.

The Camp commission had a very serious look at what was required by way of the provision of services to members of the Legislature and what, in fact, should happen with regard to the Legislature and who should be responsible for it. They pointed out a number of things.

They pointed out first of all that while it may not be possible to levy blame for what has happened in the province, it is evident there was a depreciation of the Office of the Speaker and that the Office of the Speaker in this Legislature, in terms of its status, certainly wasn't anything like the Office of the Speaker in the House of Commons in Ottawa or in the House of Commons at Wesminster or for that matter in other Legislatures. They made recommendations that the provision of services to members should come through the Office of the Speaker. He should be the person solely responsible for the administration of the legislative building and he should be the person solely responsible for assuring adequate services to members.

I am now told, and I hope the minister can answer, that all this has changed and that it has been a decision of the government, for one reason or another, not to accede to the recommendations in the Camp commission report No. 2, but rather to put within the responsibility of the Minister of Government Services all of those things which were previously suggested as should be the responsibility of the Speaker of this House.

I think it's evident to us that this continuous battle has caused us personally as members of the Legislature to have to do without many of the services that Camp 2 recommended. This battle that has raged has resulted in the government having to go back to Camp to get a subsequent recommendation, in keeping with the requirements and wishes of the government, rather than in keeping with the objective impartial analysis which was undertaken by the Camp commission.

I'm going to tell you that from our point of view there has been considerable frustration in trying to understand exactly what's going to happen with regard to the provision of adequate services for members. We have asked repeatedly, when are we going to see the change? How are we going to deal with the problems? How are we going to come to grips with many of the things which were recommended and which appeared to be going to be followed through, but which now appear to have been shelved by the government?

Whether the minister will agree or not, it's evident to us looking from the outside that much of the problem has stemmed from the power struggle within the government. I'm not suggesting that the minister himself is involved in the power struggle, but somewhere in the government there is a major conflict about the role of the Legislature and the role of the chamber and the role of the Speaker. Somewhere in the government there seems to be a fear to give to an impartial Speaker the opportunity to exercise some reasonable authority over the House and its environs.

It is not a role of a ministry because a ministry is by its very nature political. It is extremely difficult, regardless of the best wishes and desires of the minister in charge, to maintain an apolitical atmosphere within his ministry; but it is not nearly as difficult for the Speaker to do likewise. It's much easier for the Speaker. It's much easier for the Speaker to try to guarantee and to rule with impartiality. In the case of the Ministry of Government Services there's very little question that the politics of whether or not a particular group or individuals are going to be receiving services from the government becomes a matter of partisanship.

This is not the case when the Speaker rules. While, in the first instances, it may be difficult to make the transfer from the existing hodge-podge of arrangements that we currently have, it seemed to me as I read Camp 2 that over the course of time it would make abundant good sense to have the impartiality of the Speakers and his officers ruling over the Legislature and the legislative

chamber and beyond the legislative chamber over all of the environs of the legislative building to ensure that there would be no partiality shown.

Mr. Lawlor: Right. What lust for power over there!

Mr. Deans: I suggest to the minister that he has sufficient on his plate now. He doesn't actually need to have control of the legislative building. In the city of Toronto we have many tens of millions of dollars of government buildings under your control, each one of them requiring a lot of supervision and a lot of involvement. In addition to that, with the responsibilities you have for the expenditure of funds on behalf of many other ministries for the development of facilities outside of Metropolitan Toronto, it would seem to us to make good sense that this one chamber be as much as possible non-partisan in nature and that the administration of this chamber as much as possible be non-partisan in nature and that the opportunity for members to make representation to someone who is recognized as not being a part of the government would make very good sense.

I urge the minister to reconsider the path that's being followed and to give consideration as to whether or not it might be more appropriate for him to go back to his colleagues in the cabinet and at the Management Board level and recommend to them that in the interests of ensuring a legislative chamber and a Legislature that operates effectively and efficiently—and it's hard to imagine that after tonight's mess—that the Speaker be given the authority to administer the building in total. He should be given the kind of staff and the kind of opportunity to expend funds which will bring this chamber into modern times.

There have been a number of recommendations over the years toward that end. Some of the recommendations were alluded to in the Camp report. They came to the conclusion on the basis of discussion and knowledge not only of this chamber but also outside in other parts of the world and other parts of this country that their recommendations were in keeping with modern parliamentary practice. Their recommendations were in keeping with the guarantee that the democratic processes of Parliament would be able to operate effectively and efficiently. The recommendations they made were on the basis of assuring the impartiality of what goes on within the chamber and outside.

I say to you that you simply must give up your quest to take over this entire building. Let me put it to you that it may well be that the Speaker's office will operate in the same manner as other ministries whereby it may require work to be done. It will channel it through the Ministry of Government Services in order not to have a duplication of staff or in order not to require a large staff for the purposes of maintaining the building and making alterations and the like. But it should be within the jurisdiction of that office to make decisions on behalf of the members of the Legislature in the best interests of maintaining an equitable and democratic system. I don't think that can be done if it is held within the Ministry of Government Services, notwithstanding the minister's best efforts. I'm not depreciating for a moment your best intents to try to make it work. I think it would be infinitely better in the long run if you were to adopt the Camp recommendation in that regard and move in that direction.

I might warn you now that because of the shortage of time for perusing the estimates, much as I hate to do it, I am going to have to go through each one, point by point, with you and have you explain each of the programmes in order to assure that the money you're asking for tonight is legitimately money required by this ministry to perform its service to the public of Ontario.

I might tell you we will begin with the first. We will work through one by one until the end and at the end, whenever that may come, you and I will both have had a chance to peruse the estimates.

Mr. Chairman: Does the minister wish to reply?

Hon. Mr. Snow: Yes, thank you, Mr. Chairman. I would like to comment on the remarks made by my colleagues in the opposition parties pertaining to the estimates.

The member for Essex South had some questions regarding the blue book as it related to the Arkell poultry unit, for instance. I am not quite sure what he was referring to there. The estimated project cost for the Arkell poultry unit is $1,590,000. This building has not been tendered yet but it is planned to go to tender during the current year. The amount estimated to be spent during the 1974-1975 fiscal year would be $1,130,000. If the contract had been tendered and awarded the figure would have appeared in the contract price column.

If one looks, for instance, at the article above the poultry unit—the feed processing unit for Arkell—you will see that the contract is let to Whitman Contracting Ltd. The esti-

mated overall project cost is $178,000. The contract price is $144,930—that would be the tendered firm contract price. The budget for 1974-1975 is $30,000. That is the amount that we anticipate will be spent during the 1974-1975 year.

Mr. Paterson: What I am trying to get at, Mr. Chairman, is this: Is there going to be an overrun on this? When the minister made the announcement about the Arkell research station on May 30, 1973, he announced that the cost of the project would be $98,000. Now it is up to $144,000.

Hon. Mr. Snow: I don't know which project you are referring to; there are several projects at Arkell.

Mr. Paterson: Right, I am talking about your release on May 30 about the feed processing plant. You announced that the estimated cost was $98,000. Now that is up by 50 per cent.

Hon. Mr. Snow: I don't have that particular information available at the moment, but that might have been—was that a tender call announcement?

Mr. Paterson: The announcement is headed, "Tender Call for Feed Building at Ministry of Agriculture and Food Arkell Research Station," and it says, "Hon. James Snow said today that tenders are now being called. . . . The estimated cost is $98,000."

Hon. Mr. Snow: Well, Mr. Chairman, that would have been a preliminary estimate prior to the calling of tenders. Under the rules of Management Board pertaining to contracts such as this, when construction approval is given by Management Board and my ministry calls tenders, if the low tender comes in more than 10 per cent above the estimated cost approved by Management Board, then the project must be referred back to Management Board for additional funds.

We will get into details of different projects as we proceed through the estimates under the accommodation programe, but what I was trying to do at this time, Mr. Chairman, was to explain the figures in the blue book. I was using that only as an example, not as detail.

However, the estimated cost of this project is $178,000, and the firm price is $144,930. Presumably that $30,000 is the amount that is going to be spent during 1974-1975 to complete the project, which is already under construction. The difference between the $145,000, roughly, for the contract and the $178,000 would be for the architect's fees, the engineers' fees, perhaps some municipal services that are being paid for and brought to the project, or equipment and furniture—I doubt if there is any furniture in a feed processing plant, but there could be a small office there—that would be bought in addition to the contract price.

The member had another question regarding the London courthouse. As is shown here, the estimated total cost of that project is $14,050,000 and the contract total is $12.6 million. That total is made up of many contracts, because the project is being carried out under a construction management contract. So the $12.6 million would be the cumulative total of the manager's contract plus all the subcontractors and suppliers for the job.

The budget for 1974-1975 is $1,708,000, which of course is part of the $14,050,000, but that is the amount that is to be spent in 1974-1975 to complete the project. That job is almost completed now. The completion date is in June, 1974, so presumably all accounts would be paid during this fiscal year. One never knows. Sometimes it is several months after a contract is finished before final accounts are paid.

The member mentioned escalation of costs. This, of course, is of great concern to us. All of our contracts are on a fixed sum basis but they are divided into two categories—one where we have a lump sum contract for the total facilities, the other where we have a lump sum contract for the management and then a group of lump sum contracts for all the subcontracts.

We certainly are encountering escalation of costs. In our estimating on our projects we are having to build in escalation amounts that we never would have considered a year or two ago. Many times, Mr. Chairman, when we present a project to Management Board and receive plans to complete the working drawings and proceed with construction, it is several months from that time until we actually start construction because we get the approval at the end of the sketch plan stage.

We complete the sketch plans for the project and our definitive estimate for the cost of that project and present that to Management Board for final approval. The approval is then given to do the working drawings—which on a large project takes several months—and then to call tenders. In order to estimate what the contract will be, we prepare our definitive estimate, at the time of submitting it to Management Board, on the current cost and then we add to that our estimate of the escalation of costs until the estimated tender call date,

which may be some months away. We have been alarmed somewhat at the increase in costs of construction in general.

The member referred to the costs of the basement alterations in this building. I am sure we will be discussing those at greater length as we go through the accommodation programme. I believe the figures that I supplied some weeks ago relating to these costs pertain to the facilities that were provided for the dining room and the cafeteria. The total cost of roughly $2 million that the hon. member mentioned relates to the overall facilities in the basement. That includes the post office, the Ontario Provincial Police offices, the barber shop, the health unit, the facilities for the page-boys and page-girls, other administrative offices and a considerable amount of mechanical work.

When we carried out the alterations in the basement—the portion that you see down there, which I think all members will agree made a lot of space available to us that formerly we didn't have in this building—that is only a small part of the cost, the part that you can see. As we all know, this building is almost 100 years old. When we went to cut into the sewers and drains that were under the floor, we found them almost totally rusted through. They would have had to be replaced in any case, and of course these were totally replaced during that construction.

Also, the communications system in this building was very old and had been added to and changed over the years. If you were down in the basement of the building, you could have seen the miles of wire and the very poor security of our communications system. All our telephone terminals were wide open to anyone who might be in the basement. So a complete new communications setup was installed and now all telephone terminals and intercom terminals are in locked-up closets.

Also, the electrical system in this building was greatly overloaded. We were having trouble with fuses or circuit breakers blowing and at the time that these alterations were carried out, complete new transformer rooms were installed in the basement along with a completely new electrical distribution system for the whole building.

So, along with the major lines for future air conditioning of the balance of the building—whenever it is decided by the government to proceed with that air conditioning contract—well over half of the total expenditure is for replacement of mechanical services within the building—also the adding of a sprinkler system to the total basement area.

I don't have the exact figures here, Mr. Chairman, but it seems that the figure is something in the neighbourhood of 40,000 sq ft of additional space that we obtained in the main buildings by the renovations that we carried out in the basement and I believe that not counting these mechanical additions that I have just outlined, the space cost us—I'll have these figures definitely for you at a later time during the estimates—but it seemed to me it was about $22 or $23 per sq ft.

Mr. Deans: What's the matter, aren't you prepared now?

Mr. Cassidy: Sounds more like 40 bucks a foot to us.

Hon. Mr. Snow: The hon. member referred to the auditor's report and the mention of the bank reconciliations that the auditor referred to. Mr. Chairman, my ministry took over responsibility a year ago April 1—that would be April 1, 1973, I guess—for the banking services that were formerly a responsibility of the Ministry of the Treasurer. At the time of the auditor's examination of the accounts, there were some problems in doing the bank balancing or bank reconciliation as quickly after the end of each month as would have been desired by my ministry or by the auditor. I am pleased to report that all the bank reconciliation accounts are now completely up to date and are kept up to date on a monthly basis. It took us about a year to get the accounts up to a current position.

The member mentioned the write-off of certain loans. This is not the responsibility of my ministry. Any write-off of accounts receivable or loans is handled through the Treasurer of Ontario and is brought forward to the executive council by the Treasurer for approval of write-offs, so we do not handle that.

Mr. Chairman, referring to the auditor's comment on 950 Yonge St.—that is the office building where the auditor commented on certain vacant space—I believe this was dealt with by the public accounts committee today and I don't know how satisfactorily it was explained to the hon. member there. But as we go through the estimates I would be glad to explain it. It was a decision that was made at the time of the completion of the Macdonald-Mowat-Hearst complex and certain ministries were relocated into that complex. There were a number of years remaining on the lease at 950 Yonge St.

A portion of the space was immediately or very soon occupied by other government

offices but it was decided at that time because of the term of the lease and the favourable rental that we had on that particular lease that we should not surrender the lease or not sublet all of the space but keep some of it for emergency uses that we encounter from time to time.

There is no doubt that this, I believe, 14,000 sq ft of space that the auditor commented on was vacant. The lease on that building runs out in July of this year, I believe, and we have renewed a portion of the lease but the balance of it will be surrendered at the expiration of the lease. But we had a very low rental of three dollars and some cents per square foot on that and it was certainly more economical to maintain the space.

I'm sure if we completed an exact auditing of the use that was made of that space we would find that we saved considerable money by having it available and not having to go out and pay $6 or $7 per sq ft for space for some of the operations that went in there. I'll have the figures for you when we get into detail.

Actually, our vacancy rate of space on the overall government basis is very low. In fact, I sometimes think right now that we are so tight for space it's uncomfortable, because if any minor move or expansion is undertaken, we hardly have a square foot of space available in Toronto to move in.

The member asked about the purchase of additional land within the area east of Bay. The only land, I believe, that was purchased within the last year, Mr. Chairman, was the property of the Toronto Humane Society. There had been negotiations going on for some time with the humane society, or at least they knew we might be interested in their property. They came to us last year with a proposal to sell the property. They wanted to relocate and build a new premises. I presented the recommendation to the Management Board and that property was purchased. We entered into an agreement for them to stay there for about two years until their new facility is built.

We have not purchased any other land. We do own all the land in the two blocks there now, with the exception of the Yonge St. frontage, and the exception of the firehall, which is, of course, owned by the city.

The Driftwood Restaurant, Mr. Chairman, was mentioned. I don't know why that particular property was singled out. It is owned by the government. It is leased to a private operator who operates the restaurant, and I wasn't aware actually that it has a licence, but if it has, it is in the tenant's name.

Mr. Paterson: What are the details on the restaurant agreement?

Hon. Mr. Snow: We'll give you the details when we get down to the property section of the lease. In fact, I recall signing an extension to their lease for a short period.

There was a question regarding the forensic science building. We will get into the details on that later, but it does include the laboratories for the forensic science branch of the Solicitor General. It also includes the morgue and the Ministry of the Solicitor General. The ministerial offices and the whole administrative end of the Solicitor General's ministry will be located in that building, as well, when it is completed. The Ministry of Housing will occupy several floors of the building, and I think that will pretty well fill that particular building. That's the only new office space in Toronto that we have coming on stream within the next year.

I will get for the hon. member a breakdown of the acquisition of assets that we referred to in the $73 million. Basically, the construction programme is in the blue book. It shows the projects that are built all over the province, and is he needs more breakdown than that, then we'll get it for him.

The leasing services, Mr. Chairman, include, under the leasing section of the estimates, lease payments paid for the rental of office buildings, as well as services such as Hydro, heat and janitor services for that office space.

We carried out land acquisition for our own ministry, as well as for other ministries, mainly the Ministry of Natural Resources. Of course, the money for land acquisition for the Ministry of Natural Resources is in that ministry's budget, which I presume is being discussed downstairs in the estimates committee.

Under our ministry we have something like $28 million this year, of which $17 million odd is set aside for parkway belt and Niagara Escarpment purchases. The other $11 million will be for purchases of various sites, for instance, new jails or new office buildings or general site acquisition throughout the province. I will get for the hon. members the amount of land purchased in the Niagara Escarpment.

The member referred to rates of interest affecting leases. It seemed he was referring to how they affected leases we charged to other ministries. Under our present bookkeeping system we do not charge other ministries rent. All the rent and accommodation for the government are in my ministry. The cost of interest is affecting the cost of the accommodation that we are renting. This is obvious. If owners of buildings are paying higher mortgage rates, we are eventually paying higher rents; so this will filter down to us when the leases have to be renewed.

The legislative attendants were referred to by the hon. member. These are employees of the Office of the Speaker and are not employees of my ministry. We will discuss the press clipping service, Mr. Chairman, in greater detail. The decision was made by Management Board that the press clipping service should be revamped, but the service should be maintained for the members of the Legislature and any press clipping service needed by government ministries should be the responsibility of those ministries to obtain.

I am a little bit confused at what the member's question was regarding the supply and services vote on page G46. Could you tell me just what your question was on that?

Mr. Paterson: Basically, Mr. Minister, I was comparing expenditures. I believe in the 1974-1975 estimates you are asking for $36 million, as contained in the far left column, but in the1972-1973 estimates you had asked for $18 million and had expended up to $29 million. I just wonder why the sudden escalation in these figures?

Hon. Mr. Snow: The 1972-1973 estimates, as you say, were $18 million and the expenditure was $29 million. You will find the $11 million difference in one item, item 10 under vote 704, employee benefits. This was an additional payment into the superannuation fund. It is all right there on the one line, really. The other escalation is, I think, normal in the cost of vehicle services, mail services, legislative services and all types of things such as that.

The group life insurance is administered or paid for through the payment services of my ministry, Mr. Chairman. It is not the responsibility of the Minister of Government Services to place this insurance. This is the responsibility of the Management Board and the Civil Service Commission. It is my understanding that the policy is with a consortium of insurers, of which London Life is one, and that negotiations are now under way for the retendering of this policy, but any further inquiries should be addressed to my colleague, the Chairman of Management Board.

The member was inquiring regarding the citizens' inquiry branch. Mr. Chairman, I believe this is supplying a very worthwhile service. It is answering a great many inquiries of citizens who do not know who to contact for information. In some cases, inquiries are referred to members. I have had a few referred to me, although I must say not very many for my riding. In rural ridings, as most of us know, our constituents know who to contact and how to get hold of us. In the urban ridings, it is perhaps not as easy. I know some cases where hon. members are referring cases to the citizens' inquiry branch. We will discuss that in further detail when we come to that section of the vote.

Computer services are now totally under the control of my ministry. A year ago, on April 1, we took over responsibility for the central computer service. As of April 1 of this year, we assumed the responsibility for the other three computer service centres. The total equipment package is being prepared now for a total retendering of all computer equipment, which will take place later this year.

Mr. Paterson: Does this include the OHIP computer centre?

Hon. Mr. Snow: Yes, the three centres. There are basically the three centres now—the one at Downsview, the one at Overlea Blvd., which is the OHIP centre, and the one in the main complex over here. All that equipment will be retendered later this year. It is a very complicated process. There is a great deal of preparation required to preparing the tender documents for a complete tendering of the equipment.

The hon. member inquired about the turning off of lights and how many dollars we are saving. I haven't got that information but I am sure we are saving a considerable amount of energy.

I think the time has come, Mr. Chairman, to move the adjournment of the committee.

Hon. Mr. Winkler moves that the committee of supply rise and report progress and ask for leave to sit again.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report progress and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, having announced the business of the House until Monday evening, I will hope to give the House the business for next week on Thursday night.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 o'clock, p.m.

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No. 44



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Thursday, May 9, 1974

Afternoon Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, MAY 9, 1974

The House met at 2 o'clock, p.m.

Prayers.

Mr. W. Ferrier (Cochrane South): Mr. Speaker, it is my great privilege to introduce to you, and to the members of the Legislature, 40 students from the Whitney Public School in the great riding of Cochrane South in the city of Timmins. They are here under the direction of their teachers, Erwin Graham and Frank Schykoski. We are delighted they have come so far to be with us today; and they are in the east gallery.

Mr. Speaker: Statements by the ministry.

BUSINESS PRACTICES ACT

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I would like to inform the House about an important new piece of legislation, which will be introduced later today, called the Business Practices Act.

This Act will provide the Ontario consumer with broad protection against deceptive and unfair business practices. It includes a ready and inexpensive means of redress and the legislative authority to impose immediate sanctions on businesses failing to comply with its terms.

In the past, my ministry has introduced many Acts designed to protect and inform the consumer. Most of these Acts have been drafted to provide for the registration of companies or individuals in a particular industry. Disclosure to the consumer, evidence of company financial stability, tests and requirements for individual skills and certain basic performance standards have been emphasized in this kind of legislation.

The business practices division of my ministry currently administers nearly a dozen Acts designed to regulate specific industries with good results for both the consumer and the industry.

It is worth noting that the industries involved have generally appreciated our efforts in recognition of the fact that higher standards of conduct and a greater measure of public trust have generally accompanied the legislation.

But there are shortcomings to the registration of industries and industry representatives. Designing an Act for each industry is time consuming and difficult. Good legislation requires a careful assessment of the industry, its essential characteristics and its practices. Consideration must be given to the relative impact of financial criteria or performance standards on small and large companies. The possibility of affecting an industry's competitive position compared to one that is not regulated must also be considered.

Rapid response to new problems has consequently been difficult to sustain. Personnel must also be hired to administer and investigate under the terms of each of these Acts, making the system costly as well.

The selection of one industry to regulate rather than another has introduced inconsistencies and limitation in our consumer protection programme.

We have also found that registration of companies, disclosure, financial requirements and licensing of individuals on the basis of their knowledge of the industry have left some forms of business behaviour largely untouched, particularly in the area of sales methods.

Disclosure requirements, while important tools for the consumer, do not fully achieve a balance between the buyer and the seller, because they do not affect all the various sales inducements sometimes used—inducements that unfortunately often speak louder than the facts required by statute. As a result, we think more emphasis on eliminating abusive selling tactics and greater emphasis on effective remedies for the victimized consumer are required.

But perhaps most of all, Mr. Speaker, the development of legislation on an industry-by-industry basis has not created a general code of business standards that a consumer could come to know and trust and that a

responsible businessman could incorporate in the conduct of his affairs.

We do not believe that the answer is more onerous requirements for registered businesses because these requirements hit the ethical and unethical businessmen equally, when exactly the opposite effect is desired.

The Act I will introduce today, Mr. Speaker, is designed to discriminate more effectively against unethical enterprise at the consumer level, and to place honest buyers and sellers in a market where competitive prices and quality merchandise will prevail as the criteria for business success.

The Act prohibits false, misleading or deceptive representations for all products and services sold to consumers. In addition transactions which involve grossly inflated facts, inequity of contract, high pressure sales methods or the consumer's inability to defend his own interests will also be prohibited.

Mr. J. E. Stokes (Thunder Bay): Does that apply to government advertising as well?

Hon. Mr. Clement: The Act includes specific references to some of the unfair practices we are aiming at, although the terms of the Act will remain broadly inclusive of any consumer selling tactic tending to remove or limit the consumer's right and ability to make a sound and intelligent choice. The Act provides that any agreement entered into by a consumer after a representation has been made to him which includes an unfair practice will be voidable by the consumer. Suppliers involved in the agreement will be liable to the consumer for the selling price and for any damages incurred because of the unfair practice. In order that prompt action may be taken to stop clearly unacceptable new practices, the Act provides for additions to the list of unfair practices by regulation, subject to their ultimate approval by this Legislature. Any consumer will be able to press his own case in the courts under the legislation.

Under the proposed Act, my ministry will have the power to investigate and to issue an order to a company to comply with the terms of the Act by ceasing an unfair practice. The company receiving the order must respond within 15 days if it wishes to dispute the case. If no response is forthcoming, full compliance with the order is required, with severe penalties for failing or delaying to do so. Contested orders will go before the commercial registration appeals tribunal of my ministry for a hearing. Ultimately, appeals can be taken to the courts.

In those cases where the public is threatened by the continuation of a particular kind of offence under the Act, the director will have the power to demand immediate compliance with his order to cease that practice. An appeal to the commercial registration appeals tribunal will still be available, but the order to comply would remain in effect unless the appeal itself is sustained or the tribunal issues a stay pending further appeal procedures.

Written assurances of voluntary compliance in response to an order under the Act will be legally binding and subject to the same penalties for non-compliance as those invoked for non-compliance with the original order. Undertakings, including restitution for aggrieved consumers, may be added to the compliance order. Failure to comply with the Act or an order to cease a particular practice may result in offending companies being subject to fines of up to $25,000 for each offence.

Mr. Speaker, this Act represents a fundamental departure from past methods of consumer protection in this province. It will extend to Ontario's consumers a degree of assurance in their transactions to be found in few other jurisdictions. We expect responsible businessmen to react positively and constructively to this legislation, because it will protect them as well as the consumer from the false competition of unethical operators. It will also free the honest practitioner from the discouraging impact of additional government regulations applied indiscriminately to good and bad alike.

Finally, Mr. Speaker, this Act will hopefully act as the basis for the development of a commonly accepted code of business practice which both buyers and sellers can respect and trust. Thank you, Mr. Speaker.

Mr. S. Lewis (Scarborough West): It won't do anything for prices.

DIAL-A-BUS

Hon. J. R. Rhodes (Minister of Transportation and Communications): Mr. Speaker, I wish to comment on an article which appeared in this morning's Globe and Mail. I am referring specifically to the article headed "Metro Dial-a-Bus Experiment Failing, Ontario Considers Relocating It."

My ministry has implemented three of the four areas in which we intended to test the

dial-a-bus concept. These are York Mills, Armour Heights and Downsview. The objective of this experiment is to test the viability of the dial-a-bus concept in a large metropolitan setting in order that the experience gained from the demonstration can be used to determine whether further expansion is viable in Metropolitan Toronto, and how it might best be used in other municipalities in the province.

It is now approximately 6½ months since York Mills was implemented, 4½ months for Armour Heights, and two months for Downsview. We have learned a great deal in this short time.

Mr. V. M. Singer (Downsview): Yes. The government has spent a lot of money too.

Hon. Mr. Rhodes: Response in some areas has indicated the need to review the demonstration. We are currently assessing the whole demonstration project to determine what changes should be made. I expect, as was mentioned in the Globe and Mail this morning, that such changes will be announced in about two weeks time.

Mr. Lewis: The government needs to reassess all its transportation.

Mr. A. J. Roy (Ottawa East): Right. How about commenting on the other story?

Mr. Lewis: The one on the front page of the Star. The minister can comment on that too.

An hon. member: How about the rain and the snow on the GO-Urban system?

Mr. Speaker: Order please.

Mr. Roy: Snow could stop you drinking or smoking.

Mr. Speaker: Order please.

Hon. Mr. Rhodes: The one about the federal election?

Mr. Roy: Yes.

Hon. Mr. Rhodes: Is the member for Ottawa East getting the nomination again? Is he running?

Mr. Roy: Is the minister going to run against me?

Interjections by hon. members.

Mr. Speaker: Order please.

Mr. Lewis: The rumours are rife.

Interjections by hon. members.

Mr. Roy: Tell us about the snow job.

Hon. Mr. Rhodes: I will wait for the member to tell me.

Interjections by hon. members.

Mr. Speaker: I might inform the hon. members that I have suspected the stand-up microphone is not functioning properly and I have received confirmation of that. Perhaps the hon. members will forgive me if I remain seated so that I might use this microphone.

Mr. Singer: Has the Treasurer (Mr. White) got a John White election statement?

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, since it appears there are no further statements, I would like to arise on a point of privilege so that I can correct a piece of misinformation that appeared in the Newmarket Era in a letter signed by the Minister of Housing (Mr. Handleman). In it he says, and I quote: "It is a well known fact that the Liberal Party is afraid that the government of Ontario will succeed with this programme."

Interjections by hon. members.

Mr. Speaker: Order.

Mr. R. F. Nixon: He is referring to his housing action programme; he goes on: "And they seem to be doing everything in their power to make sure that that does not happen." I feel constrained, Mr. Speaker, to bring to your attention, in the presence of the minister—

Interjection by an hon. member.

Mr. R. F. Nixon: —that he is specifically wrong and he is being irresponsible in this regard—

Mr. Roy: Right.

Mr. R. F. Nixon: —because surely he is aware that we called on him to go to his cabinet colleagues for an extra $100 million which was cut out of his housing budget this year.

Mr. Roy: Right.

Mr. R. F. Nixon: The only concerns we have are that this minister, by his lack of action in this so-called programme and his unduly partisan approach to his high responsibility, is going to lead it into failure. That's what we are afraid of and nothing else.

Hon. W. G. Davis (Premier): And of course the member is not partisan at all.

Hon. A. Grossman (Provincial Secretary for Resources Development): That is a threat.

Mr. Roy: If the minister keeps it up he will be promoted.

Mr. Speaker: I must say that I fail to detect any parliamentary privilege included in the remarks of the hon. leader.

Interjections by hon. members.

Mr. Singer: Those members are going to make the Chairman of Management Board (Mr. Winkler) work too hard keeping them all quiet.

Mr. Speaker: Oral questions.

The Leader of the Opposition.

HOSPITAL WAGE CEILINGS

Mr. R. F. Nixon: I have a question I would like to ask of the Premier in the absence of the Minister of Health (Mr. Miller). Can he assure the House that the basic formula used for the settlement of the negotiations between the hospital workers and the boards in Toronto can be applied across the province, and that assurances have been given to the hospital boards concerned that financing will be available so that that level, of acceptance let's say, can be applied in the other hospital situations?

I have a second question associated with that. Since a number of the employees are not unionized and are not represented by CUPE, can we have an assurance as well that the same level of salary increase will be available for them through changes in the grant system?

Hon. Mr. Davis: Mr. Speaker, my recollection is that the Minister of Health has already been in touch with the various hospital boards in the province. There have been discussions. I am not sure that a definitive formula has yet been arrived at, but certainly the settlement that was made here for the Metro hospitals will be a guideline or a pattern for utilization elsewhere. As it relates to those employees in hospitals who are not members of CUPE or some other union, of course they will not be prejudiced by this fact.

Mr. R. F. Nixon: A supplementary: As many of the workers and hospital boards will be concerned with this, are we to take the Premier's statement as an assurance to the House that the same formula, by way of grants payable by the Ministry of Health, will be acceptable to the hospital boards; or are we to assume, by his careful choice of words, that it would be just a formula?

Hon. Mr. Davis: Mr. Speaker, there were several aspects to the settlement here in Metro. Part of it related to the question of money; part of it related to the question of fringe benefits. I can't say to the House there will be an exact duplication because the situations are not the same. In fact there are some existing contracts elsewhere which are different and perhaps would be construed by the union as being even better than the one arrived at here. I don't know; I can't comment on that. I can say that the ministry and the government are quite prepared to make additional funds available to the hospitals to see that an equitable situation is arrived at.

Mr. Lewis: By way of supplementary, if I may: Can we assume that the government would offer no less to the other hospitals in Ontario than was the basis for the settlement among the 11 hospitals in Toronto?

Hon. Mr. Davis: Mr. Speaker, once again, we are getting into details and I really can't comment on each individual contract with each individual hospital. It may be that as it relates to certain areas of fringe benefits which might be somewhat better than they are in Metro, I don't know; and whether this is equated with whatever funds or money settlements are made, I can't comment. All I can say to the members of the House is that the minister has already been in touch, the hospitals are aware that certain adjustments will be made, and we think it will be an equitable solution.

Mr. Speaker: The hon. Leader of the Opposition.

GARBAGE RECYCLING PROGRAMME

Mr. R. F. Nixon: I would like to ask the Minister of the Environment how he's going to react to the pressure from Metropolitan Toronto, expressed by the Metro chairman, that is attempting to persuade him to approve the Hope township landfill site, when the minister himself has stated publicly, and he knows the concerns of other members in the House, that that particular landfill site should not be approved and that we must have a government policy which will allow major urban centres like Metro Toronto to move with confidence towards a recycling programme that would be at least partially funded by the provincial government? Can

the minister respond to the pressures that are being brought by Metro Chairman Godfrey with a statement that clearly enunciates that the government is opting for recycling and that it will fund these programmes when they are initiated by the municipalities?

Hon. W. Newman (Minister of the Environment): Mr. Speaker, as I have said many times in many speeches and many letters, we think that sanitary landfill sites are not the ultimate answer; and we certainly do lean very heavily on recycling or reclamation, because we look at garbage as a resource material. We've always said this. We also realize that we can't get rid of everything through that process 100 per cent at this point in time. We don't have the technology at this point in time, but certainly we have always leaned heavily to this method with our ongoing programmes.

Mr. R. F. Nixon: Supplementary: Does the minister not accept the fact that this Hope township proposal involving CP Rail taking Metro garbage to that particular area, 70 miles from Toronto, is becoming more or less the talisman, and that the minister's statement on that is going to be the chief indication of basic policy? Would the minister not think that since there has been so many reviews, it is time for him to make a statement saying that was not going to be approved so that it would at least leave Metropolitan Toronto and others with a full knowledge of the remaining alternatives?

Hon. W. Newman: As I have said, as the Minister of the Environment I am very much concerned about the environment and the environmental effects of any sanitary landfill site. I did not say in my speech that the Hope township site was out. I won't go into it all – I said this all on Monday – but I am aware of the concerns of the people in that area.

Mr. Roy: Is that what the minister said?

Hon. W. Newman: I would just like to reiterate that we are interested in reclamation, in reclaiming what we view as a resource material. We're also concerned about Metro's problems, and certainly we're looking at them very closely.

Mr. Lewis: A supplementary, if I may, Mr. Speaker: Given the confusion that was caused by the minister's speech in Port Elgin, and given the considerable insensitivity being demonstrated by the Metropolitan chairman towards outside communities, if the minister has his technical survey approved for the Hope township site as a viable site, will he then recommend it? Or is he prepared to indicate now where he'll stand?

Hon. W. Newman: As I said on Monday, I still have not got the final report and all the technical advice. The technical data is not on my desk at this point in time. I am not prepared to make any decisions until I have that.

PROPOSED COTTAGE SUBDIVISION ON NAPPAN ISLAND

Mr. R. F. Nixon: A question of the Minister of Housing: Does he recall giving draft plan approval to a subdivision on Nappan Island in the Trent River? Whether or not he recalls it, will he undertake to the House to give further consideration to this draft plan approval, since it apparently has gone forward without the knowledge or approval of the local municipality? And it is also an approval that has gone directly against recommendations resulting from the environmental reviews in that area. If he is not aware of the approval, will he give it further examination and indicate to us in the House that it will go no further until there has been a full report made to the House?

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, I'm not immediately aware of it. I certainly will look into it and inquire into the areas of the hon. member's concern.

Mr. Speaker: The hon leader of the Opposition.

GO-URBAN SYSTEM

Mr. R. F. Nixon: To the Minister of Transportation and Communications: Can he confirm that the costs for changing the services that have to be moved at the CNE grounds for the GO-Urban test were budgeted at $600,000, and that in fact these costs, as well as others associated with the testing at the CNE, are going to be substantially escalated, adding as much as an additional $1 million to the proposed test of the Krauss-Maffei rapid transit system at the CNE?

Hon. Mr. Rhodes: No, Mr. Speaker, I can't say what the budgeted figure was, but

I will try and get that particular figure. It has been pretty good lately.

Mr. R. F. Nixon: Supplementary: The minister on more than one occasion has indicated he would provide up-to-date figures on the changing cost of the test at the CNE; would he undertake to give a more comprehensive survey of the test as it presently stands and table the information, not only for the relocation of the services but the other contracts and other requirements where the costs have been changing?

Hon. Mr. Rhodes: Mr. Speaker, I think I have met any commitments that I made to the hon. member as far as questions he has asked concerning costs; I will certainly continue to answer the questions and bring those costs forward.

Mr. Speaker: The hon. member for Scarborough West.

Mr. Lewis: Supplementary: Can the minister comment on the expert testimony which was given in the Province of Quebec which suggested that GO-Urban was a fine system except that it is unlikely to run in the winter?

Hon. Mr. Rhodes: Mr. Speaker, I have no way of knowing just how expert the comment was. I know the article being referred to. It was by a gentleman by the name of Jules O'Shea. He is apparently an electrical engineer. I don't know how expert he is in this particular mode. I can say, Mr. Speaker—

Mr. Roy: He is only an engineer with a legal background.

Hon. Mr. Rhodes: I can say, Mr. Speaker, that as far as we are concerned the matter of the climatic conditions in Canada are well known and we are satisfied that any problem that could have been created by climatic conditions will be met by this system.

Mr. Speaker: The hon. member for York-Forest Hill.

Mr. Roy: He has never directed traffic.

Mr. P. G. Givens (York-Forest Hill): Supplementary: The establishment of the test track at the exhibition is knocking out some of the best revenue-producing parking space for the CNE, which will cost them over $70,000—

Mr. Speaker: Question?

Mr. Givens: Does the minister—

Mr. E. Sargent (Grey-Bruce): It's coming, it's coming.

Mr. Givens: I have to tell the minister what it is about. Does the minister intend to replace that revenue to the CNE, that loss of parking revenue which the test track is knocking out?

Hon. Mr. Rhodes: Mr. Speaker, I think I have said before on occasion in this House, in answer to questions, that we were aware of some problems as far as the CNE parking area was concerned. This, in fact, did require some change in the design.

I can say, I think with some degree of accuracy, that I don't contemplate reimbursing the CNE for the loss of parking revenue.

Mr. Speaker: The hon. member for Scarborough West.

POLITICAL INVOLVEMENT BY CIVIL SERVANTS

Mr. Lewis: Thank you, Mr. Speaker. A question of the Premier: Now that the federal election has been called, does the Premier think—

Mr. R. F. Ruston (Essex-Kent): Not much support for Stanfield over there, I can see that.

Interjections by hon. members.

Mr. Lewis: We are the only people who are euphoric about it, for heaven's sake. The rest of the members are quivering.

May I ask the Premier, now that the federal election has been called, would he consider immediately amending the crude and discriminatory clauses in Ontario's Public Service Act which prevent all civil servants in this province from participating in virtually any way in what is regarded as a simple civil liberty, particularly in an election campaign?

Mr. Roy: Yes, something the government does all the time.

Hon. Mr. Davis: Mr. Speaker, I am quite prepared to take a look at it.

Mr. Lewis: May I ask the Premier whether he thinks there is justice in prohibiting people from canvassing, from speaking, from distributing information, from writing letters to the editor, as part of participation in a campaign, simply because they are civil servants in Ontario?

Hon. Mr. Davis: Mr. Speaker, as I said, I will take a look at it.

Mr. Lewis: May I ask, by way of further supplementary, does the Premier know that no such restrictions exist in British Columbia, in Alberta, in Saskatchewan, that they are now being removed in Manitoba; and that in fact Ontario has the most severe restrictions on the rights of civil servants anywhere in Canada as regards political involvement?

Hon. Mr. Davis: Mr. Speaker, I am always interested in what our sister provinces do, as I am sure the members opposite are always interested, particularly in those programmes where it appears we are somewhat in advance of our sister provinces, which the members always acknowledge, of course. As I say, I am prepared to take a look at it.

Mr. Lewis: One final supplementary: Does the Premier not think that the oath of secrecy which he requires from the civil servants as a matter of course would suffice in this regard, and that he shouldn't answer so abruptly or toy so lightly with the basic political rights of 60,000 or 70,000 people?

Hon. Mr. Davis: Mr. Speaker, I say with respect that I don't think that was a question, it was an observation made by the hon. member—

Mr. Lewis: It was a question, not an observation.

Hon. Mr. Davis: Certainly there was an observation in the part I heard, and I would just say to the hon. member I don't toy lightly with anybody's rights or obligations, unlike the hon. member. I don't.

Mr. Lewis: He certainly does in the Legislature.

Interjections by hon. members.

Mr. Lewis: That was an observation, not an answer.

Hon. Mr. Grossman: I think the answer was right.

Interjections by hon. members.

Mr. Lewis: Yes, I am a socialist.

Hon. Mr. Davis: But the hon. member tries to be a conservative socialist.

Mr. Lewis: No, not at all. It was his mistake.

PRICE INCREASES BY STELCO

Mr. Lewis: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. Since the minister's proposed Business Practices Act clearly will not handle exorbitant or illegitimate price increases, can he tell us whether his ministry is prepared to ask Stelco for an explanation of their announced jump of 11.5 per cent to 11.8 per cent in bar and plate steel prices; and, because of the very critical effect this might have on the entire economy, to roll back the increases if he sees them as unreasonable or unjustified?

Hon. Mr. Clement: Mr. Speaker, the Act which will be introduced later today deals primarily with false, misleading and deceptive consumer representations and the making of representations to consumers which the maker knows, or ought to have known, were not correct. The Act also contemplates, as I touched on in my statement, adding to that Act by regulation, with subsequent approval by this Legislature, certain other practices that are found, in the wisdom of this House, to be not in the interest of the consumer.

Insofar as writing to Stelco, I would be prepared to write, but I question what validity my letter would have, in that I suppose I could be told—although I wouldn't anticipate such a response — to mind my own business, because I have no legislation—

Mr. I. Deans (Wentworth): That should be the minister's business.

Hon. Mr. Clement: No. Economic management does not happen to be within the purview of my ministry.

Mr. Lewis: Illegitimate price increases are.

Hon. Mr. Clement: My ministry is set up for consumer protection. But if the hon. member would like me to write the letter, I'd be glad to write the letter. But I don't know what kind of response to anticipate.

Mr. R. Haggerty (Welland South): They wouldn't support the minister anyway.

Hon. Mr. Clement: I suppose they would respond by saying they had voluntarily raised the wages of their workers some days ago and that this is reflected in the increases to some degree, as well as the other escalating costs of business.

Mr. E. W. Martel (Sudbury East): Invite them to roll back the increases.

Hon. Mr. Clement: I wouldn't want to put myself in the position of writing letters to every industry that happens to have a wage increase, because someone might ask me to write to every trade union that has a rate increase too.

Mr. Lewis: Maybe the minister should.

By way of a supplementary, since the minister's field allegedly is protection of the consumer, since the first quarter rise in profits for Stelco in 1974 was 24 per cent and since the whole year's rise in 1973 for the steel industry was 73 per cent – and Stelco is the leader, the pace-setter in the industry—who protects the consumer in Ontario from illegitimate price increases by steel companies if not the minister? And why won't he haul them into his office and demand an explanation in defence of the consumer?

Hon. Mr. Clement: Mr. Speaker, I think the hon. leader of the New Democratic Party knows my feelings on the taking of a quarterly annual statement, which is unaudited and reported in the press, and generalizing—

Mr. Lewis: That's why I gave the income for the whole of 1973.

Hon. Mr. Clement: And I would like to point out the role of the consumer ministry to the leader of the New Democratic Party. My role is not to protect the consumer in each and every way—

Mr. Lewis: That is on the record.

Hon. Mr. Clement: My colleague, the Minister of Health, tries to protect the public through medical programmes.

Mr. P. D. Lawlor (Lakeshore): And it is most important the way this minister does it.

Hon. Mr. Clement: I am not protecting the consumer through policing programmes, or programmes that deal with those incarcerated for breaking the laws of this province. I'm dealing with the marketplace.

Mr. Lewis: That's right. And this is the marketplace for economic management.

An hon. member: What does the minister do?

Hon. Mr. Clement: I am not dealing with the economic management of each and every industry within this province.

Interjections by hon. members.

Hon. Mr. Clement: And I've said that before.

Hon. Mr. Handleman: The hon. member knows the answer. The answer is Jim Gillies for finance.

Mr. Speaker: The hon. member for Scarborough West.

PRICE INCREASES BY FORD MOTOR CO. OF CANADA LTD.

Mr. Lewis: Mr. Speaker, I have a question of the Premier. Given the view of the Minister of Consumer and Commercial Relations that it's not his responsibility to protect the consumer, and given the announced price increases by the Ford Motor Co. of Canada Ltd. averaging $105 per unit, which would seem to make—

Hon. Mr. Clement: Mr. Speaker, on a point of order. I understand that the leader of the New Democratic Party said I did not want to protect the consumer. I made no such statement. I said, as I recollect it, that every protection afforded the consumer was not within the purview of my ministry. There are certain other things besides consumer protection, which are provided in the statutes, for the protection of the consumer.

Mr. Lewis: Well, this is in the purview of this ministry.

Mr. Lawlor: This should be a part of this ministry's purview.

Mr. Deans: This should be a part of it.

Mr. Lewis: Given the announced rise in the price and given the announced rise in the price per unit of production by Ford Co., will the Premier, either in defence of the auto pact or in defence of the consumer of Ontario, take it upon himself to demand from these companies an explanation for those price increases? If that explanation is not adequate for him, will he roll them back?

Hon. Mr. Davis: Mr. Speaker, I would be quite delighted to communicate with both companies to gain an explanation as to the increase in price. I would have no reluctance to do that.

Mr. Deans: A supplementary question: Is the Premier prepared to have his officials make some kind of calculation as to the effect of the steel price increase on all consumer products sold in Ontario, to determine what effect this will have on the cost of liv-

ing in Ontario, and then take some action to ensure there is no price gouging at this particular point?

Hon. Mr. Davis: Mr. Speaker, I think it would really be a very difficult undertaking to assess the impact on every consumer item which might be caused by an increase in the price of steel. As I said to the leader of the New Democratic Party, I have no reluctance to communicate with the Steel Co. of Canada to give it an opportunity to explain why there is the increase.

Mr. Lewis: Fine.

Hon. Mr. Davis: I think the Minister of Consumer and Commercial Relations has already outlined one or two aspects, and I think all of us in this House would know of them. I think that at—

Mr. Lewis: Look at what it will do to the costs of Krauss-Maffei. There will be an increase of another 11 per cent.

Hon. Mr. Davis: Mr. Speaker, I don't intend to get into a discussion of any particular programme.

Mr. Deans: And the cost of all building in Ontario.

Hon. Mr. Davis: Obviously a price increase in any commodity is going to have an effect on some consumers; there's no question about it.

Mr. Lewis: Not like steel!

Hon. Mr. Davis: I think it's also fair to state—

Mr. Deans: At the basic steel level, it is vital.

Hon. Mr. Davis: —and the minister has referred to this, part of the cost increase in a lot of commodities these days—

Mr. Haggerty: They wouldn't support it anyway.

An hon. member: Why doesn't the government bring in—

Hon. Mr. Davis: —do relate to wage settlements which have been made.

Mr. Deans: That's not so.

Hon. Mr. Davis: It is so.

Mr. Deans: That's not so in this case.

STRIKE AT FORT FRANCES CLINIC

Mr. Lewis: I have one last question of the Minister of Labour.

What information does his ministry have on the strike at the Fort Frances clinic? How much is he now prepared to do and what are his mediators prepared to do to ask the doctors at the clinic to bargain in good faith?

Hon. F. Guindon (Minister of Labour): Mr. Speaker: the issue there is a question of union security, I am informed. We are trying to set up a meeting early next week, as soon as we possibly can; we have tried already but there were reasons we couldn't do it before today—but early next week.

Mr. J. F. Foulds (Port Arthur): Supplementary, Mr. Speaker.

Is the minister not aware that the mediator has informed the CUPE local at Fort Frances that the doctors have refused to meet on Monday next when a meeting was set up? Why does he tolerate, in his ministry, this kind of flaunting of a certified union by management in this situation?

Mr. T. P. Reid (Rainy River): Just a minute; that's not true.

Hon. Mr. Guindon: Mr. Speaker, the senior officials of our department, I think, are very responsible people. They have to deal with two parties, of course, and they are trying to get both parties together. My information is they were unable to set up the meeting before early next week. They are still working on trying to find a date.

Mr. Foulds: A supplementary, Mr. Speaker.

Mr. Reid: A supplementary, Mr. Speaker.

Mr. Speaker: A supplementary?

Mr. Reid: Is the minister aware that his mediator was in touch with the two parties about an hour or two hours ago? One party couldn't meet on one day; the other party couldn't meet on the other suggested day, but they will arrive at a date. We don't need this kind of problem in the free collective bargaining process brought into the Legislature.

Mr. B. Newman (Windsor-Walkerville): The member will take care of it; don't worry.

Mr. Roy: If the member wants to know what is going on, he should ask the member for Rainy River.

Mr. B. Newman: He'll take care of it.

Interjections by hon. members.

Mr. Foulds: A supplementary, Mr. Speaker.

Hon. Mr. Davis: Ask the member for the riding.

Mr. Foulds: As the dispute has been going on since last November—

Hon. Mr. Davis: Not the member for another riding.

Mr. Foulds: —and as the doctors have failed to bargain in good faith for that time and are engaged in the crudest form of union busting, what consultations has the minister had with the Ministry of Health to stop the OHIP payments to the doctors until they reach a settlement with their employees?

Interjections by hon. members.

Mr. Foulds: What consultations has he had with the Attorney General (Mr. Welch)—

Interjections by hon. members.

Mr. Speaker: Order. Order.

Mr. Foulds: —to instruct the Crown attorney in Fort Frances to press charges against one of the doctors—

Interjections by hon. members.

Mr. Speaker: Order, order.

Mr. Foulds: —who deliberately drove his car over the curb against one of the picketers?

Interjections by hon. members.

Mr. Speaker: Order, order.

Mr. E. M. Havrot (Timiskaming): Bring out the goons.

Mr. Martel: That'll bring the member out.

Hon. Mr. Guindon: Mr. Speaker, as a very important meeting will take place between both sides early next week, I think it would be preferable for me to make no comment at this stage.

Mr. Speaker: Does the hon. member for Scarborough West have further questions?

Mr. Lewis: No.

Mr. Speaker: The hon. Minister of Industry and Tourism has the answer to a question asked previously.

DAAL SPECIALTIES

Hon. C. Bennett (Minister of Industry and Tourism): Mr. Speaker, I have the answer to a question the member for Windsor-Walkerville asked my ministry about Daal Specialties Canada Ltd., whether my ministry had been approached by the people from Daal and if we'd been in touch with the Ministry of Labour.

The answer to the question is we have been dealing with the Ministry of Labour and we have been kept fully informed of the situation which has developed at Daal Specialties Canada Ltd.

The answer to the other part of the question is also yes. People representing my ministry in Windsor have been to the office of the company, have offered the assistance of our ministry and of the government. The firm has said there was nothing it required of the government at this time in relation to the closing of the operation. An official announcement of the closing of the Windsor plant was made in the local newspaper on May 3, and written notice from the company was received by the Ministry of Labour which in turn notified my ministry immediately.

I have been informed that a labour-management committee is presently being formed to assist the employees to find other employment and some of the employees will be offered jobs at the Collingwood plant of the same company. Prior to the operation being transferred to the Collingwood plant, which is presently operating at only 50 per cent of capacity, my ministry through our district representative is continuing our contact with the company to offer all possible assistance. It is my understanding that Mr. Al Watson of the Ministry of Labour is working closely with the company as well to try and resolve the problem.

Mr. Speaker: The hon. Minister of Transportation and Communications also has the answer to a question asked previously.

Then the member of Ottawa-East.

Mr. Roy: Let the minister make it quick.

EXTENSION OF QEW

Hon. Mr. Rhodes: Thank you, Mr. Speaker. The question asked by the hon. Leader of the Opposition:

> Can the Minister of Transportation and Communications give a report to the House on the government plans to expand the

Queen Elizabeth Way from Hamilton or Burlington to Niagara Falls and Fort Erie? Is it a basic policy already accepted that there will be a 12-lane facility even over Burlington Bay in the future?

Mr. Speaker, the overall plans or basic policy which has been accepted for the Queen Elizabeth Way call for a fully controlled, divided, maximum eight-lane freeway which is to be developed from its present four lanes in several stages depending on location and traffic needs.

From the Guelph Line in Burlington to the Stoney Creek traffic circle in Hamilton, additional right of way is to be acquired. The requirements have been made known to the public and the municipalities during the course of the recent feasibility study.

From Stoney Creek traffic circle to Fort Erie, nearly all the property required for the ultimate Queen Elizabeth Way development has already been acquired by the ministry.

With the exception of the Burlington to Hamilton section, the planning for the redevelopment of the QEW was carried out during the late 1960s. Overall environmental impact assessment as it is known today was not then part of the planning process. However, the need to minimize property-taking in valuable agricultural areas such as the Niagara fruit belt was fully recognized at that time. The ministry's present policy calls for a review of the environmental impact of all significant projects and any future projects on the Queen Elizabeth Way will receive similar scrutiny.

With respect to this year's budgeted improvements to the Hamilton to Fort Erie section of the Queen Elizabeth Way, work is under way at Grimsby, Lions Creek Rd. and Gilmour Rd., generating an anticipated expenditure of $4.5 million in the current year.

Work is planned to start on Highway 20, Beck Rd. and Baker Rd., at a total estimated cost in excess of $6 million, with approximately $2 million of expenditure expected this year.

The future development of the Queen Elizabeth Way is dependent on the growth of traffic and the province's ability to provide funding in support of this programme.

Mr. R. F. Nixon: A supplementary: I just want to ask the minister how many acres of land had to be acquired to fulfill the part of the programme that will be completed in the next year or two?

Hon. Mr. Rhodes: I am sorry, Mr. Speaker, I cannot tell the member exactly how many acres. I understand all of this has been looked at in the feasibility study. I can try to get those figures as quickly as possible.

Mr. Deans: A supplementary question: Since the minister has stated that the people of the beach strip in Hamilton are aware that property acquisition is now taking place, can he indicate whether in fact there has been a government decision with regard to the acquisition of the entire beach strip area because of the unserviceable nature of it and because of the difficulties encountered by the people who currently live there in terms of septic systems and flooding?

Hon. Mr. Rhodes: No, Mr. Speaker, I cannot give that answer at this time. I'll get the information.

Mr. Haggerty: A supplementary: My question to the minister is, when is he going to remove that traffic circle at Stoney Creek? That's a hazard and its removal should be one of the first steps in making improvements to the road.

Hon. Mr. Rhodes: Mr. Speaker, I can't give a specific date but I would be most happy to join with the hon. member and say that I hope it is real soon. I don't like it either.

Mr. Deans: Supplementary question: Have negotiations been completed with the CNR to get the CNR right of way taken over so the minister can in fact develop a controlled access interchange or overpass at the Stoney Creek traffic circle?

Hon. Mr. Rhodes: Again, Mr. Speaker, I don't know whether they have been completed or not. I know they have been under way.

Mr. Speaker: Perhaps the hon. member for Ottawa East would wait for a moment. I'll call him, but we do have another minister with an answer.

Mr. Roy: Which one, Mr. Speaker?

Mr. Speaker: The hon. Provincial Secretary for Resources Development has the answer to a question asked previously.

Interjections by hon. members.

PROPOSED RAILWAY LINE FROM STEEP ROCK MINES

Hon. Mr. Grossman: Mr. Speaker, the hon. member for Thunder Bay asked the following question of the Minister of Transportation and Communications last Monday when I was not in the House, at which time the minister indicated that the matter was being handled by the Provincial Secretary for Resources Development.

The question was:

> Is the minister in a position to state the status of negotiations going on between his ministry and Steep Rock iron mines as it pertains to Lake St. Joseph and CPR and Canadian National Railways with regard to the construction of a railway line from Steep Rock Mines at Lake St. Joseph to Savant Lake and possibly on to Ignace; and how soon will we get the decision whether or not the Ontario government is prepared to participate in such a venture.

Mr. Speaker, the government, through an interministry committee which will report to me shortly, has been examining all aspects of developing the Lake St. Joseph area resource potentials. This interministry committee has representatives from various ministries, and other public and private agencies have also participated in the committee's deliberations.

I should point out that no negotiations have been conducted with the CNR or CPR regarding the construction or operation of the earlier mentioned railway line.

Several exploratory discussions have been held with the CNR regarding their interest in perhaps building such a rail line. In any case, it is my understanding that the report from the committee will be ready very shortly, at which time the government, of course, will be in a better position to arrive at a decision in this matter.

Mr. Stokes: As a supplementary, in view of statements made by the chairman of the ONTC about their interest in seeing some development, is the resources policy field considering building a development road under the aegis of the ONTC or the MTC to open up that kind of development in that area?

Hon. Mr. Grossman: Mr. Speaker, it would be foolish of me to pre-empt the report. When the report comes in the cabinet will consider all aspects of it, and of course that will be one of the factors which will be taken into consideration as a possibility.

Mr. Speaker: The hon. member for Ottawa East.

Mr. Roy: I'm in good shape. Mr. Speaker, a question of the—

Mr. Lewis: This had better bring the government down.

Mr. Roy: The member had better go out and help daddy.

DEATH OF TEENAGERS IN STOLEN CAR

Mr. Roy: Mr. Speaker, my question is of the Minister of Transportation and Communications and it has to do with the recent inquest in Oakville in relation to the unfortunate death of eight teenagers on Feb. 25. It was one of the recommendations of the inquest that there be stricter control of car keys. My question, Mr. Speaker, of the minister is this: In the light of the fact that he is considering bringing in amendments to the Highway Traffic Act in relation to, let's say, seatbelts, would he not consider it as a wise move to insert in there controls for car keys, making it in fact an offence under the Highway Traffic Act for one to leave his car keys in a motor vehicle when he parks it? It is an open invitation to young people to use these cars when the keys are in them.

Hon. Mr. Rhodes: Mr. Speaker, I think that is a point that is well taken and is one that we certainly should be looking at. I am awaiting with interest the report from the inquest; once that has been sent to us we will look at it and I will certainly keep that particular suggestion in mind.

Mr. Roy: A supplementary: In light of the fact that the motor vehicle in question was a 1973 stationwagon and it was my understanding that they had sort of a buzzer that advised motorists that their keys were left in their vehicle, would the minister also look into the question of people who might disconnect this buzzer which activates when the keys are left in, and look at that aspect of control as well?

Hon. G. A. Kerr (Solicitor General): Pull the key out a little bit!

Mr. Stokes: The Solicitor General does it all the time.

Mr. Deans: The buzzer stops when you walk away.

Hon. Mr. Rhodes: Mr. Speaker, all of these matters can certainly be looked into. But I think I should point out that in this particular unfortunate incident, this car, as I understand it, was stolen from a used car lot, so obviously the keys had been left in at the used car lot. Once the door is closed the buzzer stops buzzing and that's the way it is. I can see the member's point if these are being disconnected, and perhaps we can look at that.

But the member is asking for some very regulatory legislation. We'd have to take a look and just see how acceptable it would be in the long term.

Mr. Roy: One final supplementary, Mr. Speaker, to the minister: In relation to his comment of tougher legislation, does the minister not realize that in fact this is a problem which has existed for many years, the open invitation, let's say, to the teenagers to go on joyrides? In fact the amendment brought to the Criminal Code for joyriding had that in mind; this matter should be looked at very carefully.

An hon. member: Make it a luncheon discussion.

Hon. Mr. Rhodes: Mr. Speaker, I said I certainly will look into the suggestions that have been made by the hon. member.

Mr. Speaker: The hon. member for Cochrane South.

EMPLOYMENT OF DEAF STUDENTS IN TIMMINS SWEEP PROJECTS

Mr. Ferrier: Mr. Speaker, I have a question of the Minister of the Environment. Is he aware of the allegations raised in a letter by a rehabilitation counsellor of the Canadian Hearing Society that three students from the Ontario School for the Deaf in Belleville have been rejected for employment under the SWEEP programme in the Timmins area solely on the grounds of their handicap, because particular people felt that it was to be a safety hazard. If he is not aware, will he make himself aware of this matter? And will he have a full investigation made of the circumstances to see if it would be possible for those three students to be employed in the SWEEP programme in the Timmins area?

Hon. W. Newman: Mr. Speaker, the whole programme is set up through one of the branches of the ministry and I am not aware of the details of what the member is talking about. We will look into it and get a report back to him.

Mr. Stokes: We are talking about SWEEP.

Mr. Ferrier: As a supplementary, doesn't the minister feel that programmes funded by public funds should be for the benefit, as far as feasible, of all the citizens of the province and should not discriminate unreasonably against people with a particular handicap?

Hon. W. Newman: Mr. Speaker, we don't discriminate in our ministry at all.

Mr. Martel: As of now.

Mr. Speaker: The hon. member for Huron.

DEADLINE FOR SUBMISSIONS ON POWER CORRIDOR

Mr. J. Riddell (Huron): Thank you, Mr. Speaker, I have a question of the Provincial Secretary for Resources Development, if I could get his attention for a minute.

Mr. J. E. Bullbrook (Sarnia): It's just work, work, work all day.

An hon. member: Is he getting ready for the federal election there?

Mr. Riddell: In light of the recent mail strike and the late arrival of mail to its destination, would the minister consider extending the deadline, which I understand is May 10, for submissions by those objecting to the power corridor from Nanticoke to Pickering? I'm thinking now of the town of Vaughan and King township? They were to have those submissions in by May 10.

Mr. W. Hodgson (York North): The member for Huron doesn't have to worry about it.

Mr. Riddell: Some of them just got the letter two days ago.

Hon. Mr. Grossman: Mr. Speaker, I don't know how we get into King, but in any case it would seem to be reasonable that if there has been some delay due to the mails, of course we will give consideration to this.

Mr. Speaker: The hon. member for—

Mr. Lewis: Lakeshore.

Mr. Speaker: Lakeshore! I apologize.

SALE OF NOXIOUS CHEMICALS TO SCHOOL STUDENTS

Mr. Lawlor: Thank you very much, Mr. Speaker; I accept your apology on this occasion. I have a question of the Minister of Consumer and Commercial Relations. What does the minister intend to do in a direct personal way within the ambit of his office about the substances being sold to students at school, by an outfit called Jokeland and other stores, which contain chemicals of a toxic and even lethal nature and which are disruptive of the schools and of business enterprises in the area—consist largely of stink bombs, tear gas bombs, smoke bombs, itching powder, scratching powder and sneezing powder?

Mr. Roy: Shocking.

Hon. Mr. Grossman: It sounds like an election coming up.

Mr. Lawlor: It's a problem in Etobicoke, let me tell the minister.

Hon. Mr. Clement: Mr. Speaker, first I would like publicly to commend the member for Lakeshore for his investigations. I have noticed him squirming over there the last few days. In my very amateurish way, I felt he was trying to catch your eye, Mr. Speaker, to ask a question; or perhaps there was a hole in his pocket.

Mr. Lawlor: True! Answer the question.

Hon. Mr. Kerr: Never mind the question, the answer is much better.

Hon. Mr. Clement: Bearing in mind, sir, his age and his generally deplorable physical condition, I would assume that probably it was caused for some other reason.

Mr. Lewis: The minister had better stop.

Hon. Mr. Clement: The noxious substances to which the member has referred might well be subject to certain sanctions within the Criminal Code. I have received no complaints in connection with these various matters.

I thought perchance the member was going to refer to certain other items that were for sale in stores such as this, some of which I saw displayed when I walked down Yonge St. the other night. Because I had my children with me, I didn't want to indicate my interest in them. I intend to double back when I am alone later on this week.

Interjections by hon. members.

Mr. Deans: The minister is going to regret that; he is going to regret that.

Mr. Lawlor: Mr. Speaker, supplementary: The minister does not certainly keep his nose very close to the ground. Would he be pleased to receive the 15 or so letters I have received on the matter so that he may investigate it?

Hon. W. A. Stewart (Minister of Agriculture and Food): Be sure they are well dusted off.

Hon. Mr. Clement: I would be pleased to receive them and ascertain if there is any involvement which we can have. It might well be that certain other ministries might be involved too. Some of them, quite frankly, can be dangerous, from my reading of articles on them. Others, of course, are merely irritating; but if the hon. member will let me have the letters I will take a look at them and see what can be done.

Hon. Mr. Rhodes: It sounds like the opposition: One "dangerous" and the other "irritating."

Mr. Speaker: The hon. member for Essex-Kent.

UNION GAS

Mr. Ruston: Mr. Speaker, I have a question of the Minister of Labour. Has the minister appointed a new mediator to have Union Gas and union officials meet—and is there any change in the status of that strike at this time?

Hon. Mr. Guindon: Yes, Mr. Speaker; in the case of the strike at Union Gas, as the members know this strike has been going on for a little over three months. I am not only concerned but I would say disturbed that there has been so little progress in the last three months. I reviewed the situation yesterday with my senior officials and under my instructions I have asked all the bargaining committees to meet on Monday of next week in Toronto.

Mr. Speaker: The hon. member for Sandwich-Riverside.

HYDRO RATES

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, a question of the Minister of Energy: As a conservation policy, has the minister given any more thought to the

suggestion I made last November regarding the reversal of Hydro rates so that the more one uses the higher the rate one pays?

Hon. W. D. McKeough (Minister of Energy): Mr. Speaker, I haven't particularly. I know this is a matter which the Hydro board has had under consideration, and in their rate proposals for 1974 there are in fact some changes in direction in terms of higher charges in certain areas which will affect the large users more than some of the small users. Hydro does have this matter in front of it and under consideration, as we do.

As I indicated before, this is by no means a proven fact either way. We know very little about the elasticity of demand in terms of price in the field of energy. We are following events and experiments in other areas with, frankly, more than a little bit of interest.

Perhaps they may change at some point in the future, but I don't anticipate within the next two or three years that there will be any radical change in the policies which Ontario Hydro follows and which are generally followed by other utilities in this country and elsewhere.

While I am on my feet, Mr. Speaker, I might point out to you, sir, and to the hon. members of the House, that in the gallery there are 50 students from John McGregor Secondary School from Chatham, in that great riding of Chatham-Kent.

Mr. Burr: I have a supplementary question: Is the minister aware of the statement by the vice-chairman of Hydro recently regarding this matter of reversal rates? He said:

> It would seem that it should be working the other way, that the first hydro you use each month should be cheap and then it should get more expensive.

Is that an unreasonable statement?

Hon. Mr. McKeough: I would like to see the context in which it was given before I jump precipitously into the trap which the member may be laying for me.

Interjections by hon. members.

Mr. Speaker: Order.

There are just a few moments left and I think we should suspend any supplementaries. The hon. member for Windsor-Walkerville.

PROCESSING OF SLUDGE

Mr. B. Newman: Mr. Speaker, I have a question of the Ministry of Industry and Tourism. What is holding up the application of Pierre Phillippe, the man who has developed the process to make fertilizer from sludge and who wishes to expand his operation in the city of Windsor or in the environs so that he could use all of the sludge that is produced in the Windsor sewage treatment plant?

Mr. Roy: He could get a lot of sludge right here.

Hon. Mr. Bennett: Mr. Speaker, while I recognize that to be a rather dirty question, I would have to ask to whom the application was made and when. I have no information on it, but would be glad to review it.

Mr. Roy: Oh, the minister is funny.

Mr. B. Newman: Mr. Speaker, I have a supplementary of the minister.

Mr. Givens: Backbenchers opposite have got to learn to live with that.

Mr. B. Newman: The ministry received the application, from my understanding, quite some months ago. The man was to purchase property. An environmental hearing was held in March. To date he has not heard the results of the environmental hearing, but he has made the application to the Ministry of Industry and Tourism.

Hon. Mr. Bennett: Mr. Speaker, until the environmental people rule on the application, there will be no decision rendered by Ontario Development Corp. or any one of the other three bodies. We wait until confirmation and until a positive position has been taken by the ministries that are involved in the establishment of an industry in the province. When it has been taken, then we will review the application as to the possibility of a loan being granted to the applicant.

Mr. Speaker: The question time has now expired.

I am not sure that this microphone is now working but it seems to be all right.

An hon. member: It is working very well.

Mr. Speaker: Petitions.

Presenting reports.

Mr. Taylor, from the standing private bills committee, presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bill with certain amendments.

Bill Pr5, An Act respecting the city of Ottawa.

Your committee would recommend that the time for presenting reports by the committee be extended to Thursday, May 16, 1974.

Mr. Speaker: Motions.

Hon. Mr. Winkler moves that the standing social development committee be authorized to sit concurrently with the House for consideration of Bill 22, the Health Disciplines Act, 1974.

Motion agreed to.

Mr. Speaker: Introduction of bills.

BUSINESS PRACTICES ACT

Hon. Mr. Clement moves first reading of bill intituled, An Act to prohibit unfair Practices in Sales to Consumers.

Motion agreed to; first reading of the bill.

BUSINESS CORPORATIONS ACT

Hon. Clement moves first reading of bill intituled, An Act to amend the Business Corporations Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Clement: Mr. Speaker, the amendments to the Business Corporations Act propose certain exemptions for companies incorporated in Ontario prior to April, 1966, but which are legally non-resident and do not carry on business in Ontario. Recent discussions by the private bills committee indicate a concern that Ontario shareholders of these companies were losing some protection as a result of our legislation. Our proposals hopefully will rectify this situation.

PAPERBACK AND PERIODICAL DISTRIBUTORS ACT

Hon. Mr. Clement moves first reading of bill intituled, An Act to amend the Paperback and Periodical Distributors Act, 1971.

Motion agreed to; first reading of the bill.

Hon. Mr. Clement: Mr. Speaker, these amendments basically expand the definition of equity shares to cover the situation where shares may carry multiple votes.

MORTGAGE BROKERS ACT

Hon. Mr. Clement moves first reading of bill intituled, An Act to amend the Mortgage Brokers Act.

Motion agreed; first reading of the bill.

Hon. Mr. Clement: Mr. Speaker, these amendments are similar to those I've already touched on under the Paperback and Periodical Distributors Act.

COLLECTION AGENCIES ACT

Hon. Mr. Clement moves first reading of bill intituled, An Act to amend the Collection Agencies Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Clement: Mr. Speaker, the purpose of this legislation is to bring into the statutes a policy of my ministry to the effect that one must be a Canadian resident in order to carry on business in Ontario as a collection agency.

REGIONAL MUNICIPALITY OF NIAGARA ACT

Hon. Mr. Irvine moves first reading of bill intituled, An Act to amend the Regional Municipality of Niagara Act.

Motion agreed to; first reading of the bill.

Hon. D. R. Irvine (Minister without Portfolio): Mr. Speaker, the present legislation determined how elections were to be held in the regional municipality for 1973 and 1974, but it does not clarify how they will be held in the future. Therefore, this bill allows the existing system to continue until it is altered by the Ontario Municipal Board.

ENVIRONMENTAL PROTECTION ACT

Mr. Burr moves first reading of bill intituled, An Act to amend the Environmental Protection Act, 1971.

Motion agreed to; first reading of the bill.

Mr. Burr: Mr. Speaker, the bill provides that where a person proposes to produce, supply or use atomic energy, certain information be available to the public concerning the person's proposed operation.

Mr. Roy: The Minister of Energy wants a copy of that bill.

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, before the orders of the day I know the members of the Legislature would want to welcome two school groups from northwestern Ontario—one group of 35 students from the Evergreen Public School in Kenora, and another group of 36 students from grades 7 and 8 of the Eagle River Public School. Of course, they are down here through assistance from the Ministry of Education and the Young Travellers' Programme. They will be in later; they are having a tour of the Legislature at the present time.

Mr. Speakers: Orders of the day.

LAND TRANSFER TAX ACT

Hon. Mr. Meen moves second reading of Bill 54, An Act to amend the Land Transfer Tax Act.

Mr. J. A. Renwick (Riverdale): Why?

Hon. G. A. Kerr (Solicitor General): Why not?

Mr. Speaker: The hon. member for Kitchener.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, one can almost echo the point raised by the member for Riverdale and that is to ask why this is, in fact, necessary.

Hon. Mr. Kerr: Nothing is going to be done in Ottawa; we'd better do something here.

Mr. Breithaupt: It has been interesting in discussing the matter with various civil servants and with other solicitors that there certainly are particular concerns which have existed in the various registry offices concerning the procedure which are to be followed in this overlapping period. I am advised that there is some confusion as to whether in fact these agreements are to be filed with the registrars of deeds, or whether in fact there is going to be a procedure by which the ministry can deal more efficiently with these matters.

I suppose, like many other things, the use of increasing amounts of paper will require in registry offices, as well as everywhere else, everything from more pencils to more filing cabinets. What does interest me, though, is to hear from the minister an explanation as to the reasoning behind this amendment so that the press, the legal profession, and indeed the registrars of deeds and their staffs may be entirely clear as to the reasoning behind the various filing procedures.

As I have said, it would appear to me that there is a confusion as to when the ministry is to be involved and when the registry offices are to be involved. I presume that they are trying to work things out as best they can and, at least in the registry offices, seek guidance from ministry officials or from those in the Attorney General's department. I hope the result of this will be to clarify the matter and I invite the minister to make a definitive statement at this time as to the procedures so that all will know just what the intentions are.

Mr. Renwick: Mr. Speaker, I really don't think the bill is worth debating because the whole Act is unconstitutional in the first instance. Whatever minor changes the minister may want to make in order to accommodate his friends in the business and financial community are particularly irrelevant to this party.

The bill is, in fact, unconstitutional. The original bill and the amendments certainly will not stand, having regard to the unconstitutionality of the original Act. He's obviously been subjected to immense pressures from the business, financial and professional community in Toronto and he's accommodated them. But that's normal; that's the way in which the Conservative government operates. We suppose the amendment to the bill.

Hon. A. K. Meen (Minister of Revenue): Mr. Speaker, in this bill there are two matters in principle. I touched on the first one last week when I made a statement in the House. Perhaps the hon. member for Kitchener has not heard it and I'm not going to read it again. It's in Hansard—

Mr. Renwick: I was here when the minister read it. It was vacuous then and is vacuous now.

Hon. Mr. Meen: —the members of the House can refer to that. But I would point out that this matter of May 16 came to my attention toward the end of the mail srike when the legal profession and all others who had acted—and there were many private individuals as well—who had been involved in various transactions in which there—

Mr. Renwick: Tht's right. They circumvented the bill.

Hon. Mr. Meen: —may not have been registration of the documents, weren't sure where they might put their hands on them. They knew there were outstanding commitments for sales and purchases at some later date and they were frantically trying to get in touch with their clients to determine whether they did or did not have some obligation to file the material with the ministry.

In reflecting on the problems that were then arising as a result of the disruption in the mails we got to considering whether we really needed any date at all. On further reflection we decided that not only was May 16 too close in, having regard to the problem of the mails, but rather we didn't really need it at all. In some instances, it was drawn to my attention, there might well be agreements that wouldn't come to light for perhaps years later but entered into validly at or prior to April 9.

Mr. Renwick: Yes, we love clandestine agreements entered into validly years earlier. That's right.

Hon. Mr. Meen: Well, they will have to satisfy the ministry as to the validity of the execution of the contract out of which the registration eventually arises. What we are saying here is that if there were adequate evidence that there existed a written agreement conveying or providing for the conveyance of the land at a definite price and so forth—

Mr. Renwick: We don't trust the minister.

Hon. Mr. Meen: —and, if at that time the ministry can be satisfied, just as we would have to be satisfied under the present Act—but the point is they would have had to dredge up these instruments and get them into our hands before May 16. So, it seemed appropriate, therefore, simply to alter this—

Mr. Renwick: It seemed appropriate to accommodate the professional community in downtown Toronto.

Hon. Mr. Meen: No. It seemed appropriate, Mr. Speaker, to eliminate a problem which we hadn't really foreseen.

Mr. Renwick: Let's stop the travesty of budget secrecy.

Hon. Mr. Meen: Perhaps in putting this Act together we might have anticipated that there would be agreements of this nature oustanding in various files, dead files. I wouldn't be surprised if the hon. member for Riverdale might some day discover that he had such an agreement somewhere in one of his files that he'd long since forgotten about. He might turn out to be thankful, on behalf of his client and perhaps on his own part, that we had amended this section to remove that definitive date.

Mr. Renwick: Thank you. Flattery will get the minister nowhere. I never forget what is in my files because I always destroy them.

Hon. Mr. Meen: In any event, Mr. Speaker, that's the purpose of this Act, to correct what otherwise would have been, I think, an unworkable situation in the existing legislation.

The hon. member for Kitchener did ask about the mechanism to be involved. We will have to spell out in regulation form the guidelines for this. But I have said in the past that the kind of evidence one would require—and we will have people in the ministry examining these documents—would either be an affidavit of execution, or if there was no affidavit of execution then possibly copies of correspondence between solicitors that would be sufficient evidence to satisfy us that the agreement had been entered into prior to the budget night. We'll probably spell out those terms in regulation form within the next few weeks, I would hope—certainly as quickly as possible.

Mr. Breithaupt: Mr. Speaker, perhaps I might just ask a question of the minister, if he will accept one. That is, with respect to—

Mr. Renwick: We are going to put it into committee, so the member will have ample opportunity to ask him.

Mr. Breithaupt: Oh, very well.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Mr. Renwick: Committee of the whole House?

Mr. Speaker: Committee of the whole House.

Agreed.

Clerk of the House: The second order, House in committee of the whole.

Bill 25, An Act to impose a tax on—

Hon. A. K. Meen (Minister of Revenue): Excuse me, Mr. Chairman, with the concurrence of the committee, I would like to go on with Bill 54, if possible.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, the order of business was called and the minister asked for concurrence. I refuse concurrence.

Mr. Chairman: The minister at the present time is the House leader. I place no motion before the House myself.

Mr. Renwick: Do you mean that the sole surviving minister in the Tory government is now not only the acting Premier, the House leader, the Minister of Revenue and—

An hon. member: And the whip.

An hon. member: The Attorney General.

Mr. Renwick: I'm concerned that there is no quorum. I ask for a quorum count, please.

Clerk of the House: Mr. Chairman, there are 18 members present.

Mr. Chairman ordered that the bells be rung for four minutes.

Clerk of the House: Mr. Chairman, there's a quorum present.

Mr. Chairman: We have a quorum; so we will proceed. Call Bill 54.

Mr. Renwick: Mr. Chairman—

Mr. Chairman: The hon. member for Riverdale.

Mr. Renwick: You're going to call Bill 54, despite the fact that the order of business was the other bill. Is that correct?

Mr. Chairman: Wait a minute. I understand the House leader of that moment called Bill 54, and you called for a quorum. There has been no change in that.

Mr. Renwick: Why doesn't the House leader of the moment at this time call the business of the House?

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Chairman, I called item 12. I understand, unless I am a mile-wide wrong, that this was communicated before the House was opened. Regrettably for me, I was attending—

Mr. Renwick: Oh, we understand.

Hon. Mr. Winkler: —in Her Honour's chamber for royal assent and couldn't be here for that moment, but this seems to be the order of the way the opposition's acting.

Mr. Renwick: Yes.

Mr. Chairman: Committee of the whole House was properly called and the hon. minister indicated we would study Bill 54 at this time.

Mr. Renwick: Is that right? Thank you, Mr. Chairman.

Mr. Chairman: That is now before us.

Mr. Renwick: I am, of course, content.

Hon. W. D. McKeough (Minister of Energy): We are delighted.

LAND TRANSFER TAX ACT

House in committee on Bill 54, An Act to amend the Land Transfer Tax Act.

Mr. Chairman: Any comments, questions or amendments on this bill?

Mr. Renwick: Mr. Chairman, the proposed bill which is before us amends a bill. I would like to ask the chairman of the House, has the Land Transfer Tax Act, 1974, been given royal assent?

Mr. Chairman: Yes, I am informed that it has been given royal assent.

Mr. Renwick: On what date was it given royal assent?

Mr. R. F. Nixon (Leader of the Opposition): Just a moment ago?

Mr. Chairman: We'll have the date for you in just a moment.

Mr. Renwick: Thank you.

Mr. Chairman: On April 26, 1974.

Mr. Renwick: On April 26. And what is the date today, Mr. Chairman?

Mr. Chairman: May 9.

Mr. J. R. Breithaupt (Kitchener): On Friday at 11 o'clock that was given royal assent.

Mr. Renwick: That's April 26. I think there are 30 days in May, eh?

An hon. member: There are 31.

Mr. Breithaupt: There are 30 in April.

Mr. Renwick: That's right, 30 in April and 31 in May. There were four days in April and it's now May 9; that's 13 days. That's a lucky day for the Tory government—13 days. They're now asking us to assent to an amendment to the bill which had so

much preparation in advance by the Treasurer (Mr. White) when he introduced the bill. And, of course, the Treasurer is never here when the bills implementing the policies of the government are before the House. We have the technician available to the assembly in the person of the Minister of Revenue to introduce these amendments.

Mr. Chairman: Order, please. Would you indicate the section of the bill you are on?

Mr. Renwick: Section 17 of the Act.

Mr. Breithaupt: He's on the title, Mr. Chairman.

Mr. Chairman: Section 1, 2 or 3?

Mr. Renwick: Clause 1 of the bill.

Mr. Chairman: Clause 1 of the bill.

Mr. Renwick: If you want me to debate clause 2, I will.

Mr. V. M. Singer (Downsview): Yes, go ahead.

Mr. Renwick: Or 3.

Mr. Chairman: Well, we should be debating the amendment before us, I respectfully suggest.

Mr. Renwick: Let's deal with clause 1. How would that be? The technician, that is, the Minister of Revenue, who is now charged with piloting this bill through the House, has no responsibility—

Mr. H. Worton (Wellington South): None at all.

Mr. Renwick: —for the policy which is involved in it. I reiterate what I said on second reading of the bill and on second reading of the predecessor bill, which is being amended, that it's unconstitutional anyway, so I shouldn't really waste my time about it. The fact of the matter is that the Minister of Revenue, disguising it behind the question of the mail strike, has bowed again to the professional community in the Province of Ontario to enable it to enlarge the loopholes under which the tax imposed by the bill will be circumvented.

That's all right. I don't credit the minister with bad faith. I don't credit him with misunderstanding what is going to be done in the legal profession. I belong to that profession, and I worked in the business community. I know all of the legerdemain, l-e-d-g-e-r hyphen m a i n.

Mr. Breithaupt: You are fooling around with hyphens.

Mr. Renwick: I'm bilingual.

Mr. Breithaupt: That's French for "tomorrow's books."

Mr. Renwick: That's right.

Hon. J. R. Rhodes (Minister of Transportation and Communication): Is that the same as "leisure"?

Mr. Renwick: I know what it's all about and I will be able—

Interjections by hon. members.

Mr. Renwick: The minister is quite right. In every corporate file in every corporate law firm in the city of Toronto and the environs, e-n-v-i-r-o-n-s, contiguous and adjacent to the city of Toronto, including Metropolitan Toronto—

Hon. Mr. Rhodes: Spell "contiguous."

Mr. Renwick: c-o-n-t-i-g —

An hon. member: u-o-u-s.

Interjections by hon. members.

Mr. Renwick: As a matter of fact, I remember once in senior fourth—

Interjections by hon. members.

Mr. Renwick: That was before the time of everybody but the hon. member for Don Mills (Mr. Timbrell). Before his time and my time it was called senior courses. I remember the competitive challenge that I was faced with at that time when I was the sole survivor on one side and there was a woman on the other side. She was 12.

Interjection by an hon. member.

Mr. M. Gaunt (Huron-Bruce): What was the word?

Mr. Renwick: I was 13. I was asked what was the most westerly city in Canada. I said, "Probably Prince Rupert," she said "Vancouver"; and I won.

Interjections by hon. members.

Mr. Renwick: I received the same resounding applause then as I just did.

Interjections by hon. members.

Mr. Breithaupt: And it has been downhill ever since.

Mr. Renwick: Don't you worry, Mr. Chairman. The Minister of Revenue knows very

well that in the antiquity of the legal firms, years from now there will be found documents bearing the proper date. They will come in and judiciously the then Minister of Revenue, because it certainly won't be this one—

An hon. member: Can the hon. member see that far off?

Mr. Renwick: And so far as protection of the revenue is concerned I only hope it is the NDP Minister of Revenue who is in the office at that time—the minister will be provided with the kind of information which will permit him to make the decision that: "Yes, of course, that document was properly executed prior to the date upon which the tax was levied." And the minister will, as others have done, simply say: "Everything on the record is perfectly correct."

Mr. Chairman, I am simply saying to the minister we do not agree with fooling around with dates upon which taxes are going to be imposed because of the convenience of the legal and accounting and business community of the city of Toronto. That is the only reason this amendment is here and the minister knows that.

The minister believes in something called the good faith of the legal, accounting, financial, commercial and business community. I think it is about time that the Tory government and the counterpart Liberal government in Ottawa, each of which is indistinguishable, should understand that there is no such thing except good manners involved in that operation.

It is not a question of proof. It is not something which must go before a judge for a determination. It is not a question on which the evidence is going to be weighed pro and con. Nobody is going to appear on behalf of the taxpayer. The tax collector, who is in cahoots with the business and professional community, will make the decision. And the ministry has the nerve—and I forget the number of days—13 days later to come back in and to tell us—and as a matter of fact if my memory serves me correctly it is exactly one month from the day on which the budget was introduced, April 9—

Mr. Gaunt: April 9.

Mr. Renwick: And this is May 9, is it?

An hon. member: Exactly right.

Mr. Renwick: That is right. I think the hon. member for Sarnia informed me there were 30 days in April.

Mr. J. E. Bullbrook (Sarnia): It was the hon. member for Kitchener.

Mr. Renwick: The hon. member for Kitchener; his arithmetic is impeccable.

Mr. R. D. Kennedy (Peel South): Like your spelling, isn't it?

Mr. Renwick: But that is what is going to take place.

I don't know whether the Minister of Revenue understands, we in this party dissociate ourselves from White liberalism disguised as Progressive Conservatism in the Province of Ontario—

Hon. Mr. Rhodes: Only since yesterday.

Mr. Renwick: —or as Liberalism in Ottawa. We don't believe it. We don't believe in the good manners of the business community. I have practised law long enough to know that if there is any profession capable of erudition, rationalization and, if my colleague from Lakeshore were here, Thomism—they can change by sophistry and casuistry the date on which the actual documents were signed by the people involved to any date they want, including a date prior to the present method of calculating the date.

I have overstated the situation. Do you know why I have overstated it? Because I am sick and tired of the government playing games with us about the public business. You either impose the tax—you deal with the tax and you legislate the tax and the vote is passed—but you don't play games about it. The ministry is playing games. They have played games since the budget and they are now playing games with this amendment. We, in this party, are simply tired; and should, perhaps, there be another member of the New Democratic Party available—

Interjection by an hon. member.

Mr. Renwick: So that we have five people in the House.

Interjections by hon. members.

Mr. Renwick: My friend has made a killing in the poultry market recently. I have stopped eating chicken and eating eggs, I don't know what the hell I am going to eat but I have stopped eating that.

Hon. Mr. Rhodes: You should try eating; I will go along with that.

Mr. Renwick: I am just going to walk along with him on his way to the bank.

Interjections by hon. members.

Mr. Renwick: It would be nice to be with you. Could we have another Hydro committee this summer so that we could have a little chicken together; or a little crow?

Interjections by hon. members.

Mr. Renwick: Probably there will be five of us in the House in a minute.

Interjections by hon. members.

Mr. Renwick: You are going to vote with us? Thank you, that's fine. Thank you very much.

The minister knows what I am talking about. I sometimes talk seriously in my usual inimitable facetious style, which is dreadfully heavy but very pleasant for me on occasion.

Hon. Mr. Meen: Are you going to spell facetious for the benefit of Hansard?

Mr. Renwick: Yes, the minister knows. Mr. Chairman, there are a very few people in the House who understand how you distinguish my riding of Riverdale from the riding of my colleague, the minister and member for York East.

Mr. Chairman: Is that in section 1?

Mr. Renwick: Yes, it is. It's a very valuable piece of information because when you are canvassing, as my colleague and I have done and undoubtedly will do again, the way you tell when you have left the city of Toronto and arrived in York East is that in the city of Toronto the fire hydrants are painted green on the bottom with yellow tops and in York East the fire hydrants are yellow on the bottom and green on the top.

An hon. member: It all depends what side you are on.

Hon. Mr. Meen: You can also tell by the way the sidewalks change.

Mr. Renwick: You have never understood that.

Hon. Mr. Meen: Sure; haven't you ever noticed how the sidewalks change?

Mr. Renwick: Have you, unknowing to me, been coming into my territory and canvassing?

Hon. Mr. Meen: I canvassed on your behalf.

Hon. Mr. Rhodes: On your behalf.

Mr. Renwick: Thank you. It is very nice to have your support.

Mr. Chairman: He may even have turned on your fire hydrants.

Interjections by hon. members.

Hon. Mr. Meen: I wish you would tell me what's the matter with the bill.

Mr. Renwick: Mr. Chairman, referring to section 17 of the bill, I think I have made my comments clear to the minister. I think he understands that we don't agree with tampering with tax bills. The government, you know, gives immense thought to the budget as a propaganda instrument; it gives no thought to the instrumentalities by which it is going to impose the tax.

Mr. I. Deans (Wentworth): That is your biggest problem.

Mr. Renwick: The budget papers contain no study papers with reference to the Land Transfer Tax Act. The budget papers contain no reference to changing the date upon which agreements will be recognized as being valid for the purpose of escaping the tax.

Hon. Mr. Meen: Reinforcements have arrived.

Mr. Renwick: Thank God.

The tax itself is unconstitutional and I do not agree and our party does not agree with the proposition because, I say to the minister, no one except the professional accounting, legal and financial community has made any representation to the minister. I defy him to produce any other information to the House and, if he has that information, to table the correspondence so we can look at it. He gave the lie to his argument a little while ago by referring to the day, years hence, when I will find documents in my file that happen to be conveniently dated to avoid the tax.

I don't know whether the Minister of Revenue was present in 1789 when the guillotine was instituted, but so far as taxes are concerned that's the way the minister levies them—he levies them and nobody can squirm out from under them. But the minister is allowing his friends and the friends of the Tory party to squirm out from under the impact of this particular tax, unconstitutional as it obviously is.

We will oppose the amendments to bill, and as a matter of fact I think we will not only stack the votes but we will have some

comments about section 2 and section 3 as well.

Mr. Chairman: Anything further on section 1? The hon. minister.

Hon. Mr. Meen: Well, Mr. Chairman, with respect, I suggest to the hon. member for Riverdale that we haven't enlarged the loophole. I think what would happen would be there would be a continuation of the turmoil created by the fixing of this date. For years, I suspect, lawyers wouldn't know just what they should be doing with their old files.

It seems appropriate to remove that date. The tests would still be the same, regardless of whether the documents were produced to the ministry any time between now and the 16th or some date after the 16th.

I might point out that the federal capital gains tax relies on records that may well go back over years, and I suppose if one is about to falsify records he'll falsify records for capital gains tax purposes or for whatever reason. I don't see that there is any significant difference between the possible abuse suggested by the member for Riverdale and that kind of situation. I don't think there is any significant difference.

It seems to me that if we can avoid putting impediments in the way of the orderly conduct of proper and legitimate business, then it behoves us to do so—and why put unnecessary roadblocks in the way?

Mr. Chairman: Those in favour of section 1 standing as part of the bill will please say "aye."

Those opposed will please say "nay."

In my opinion the "ayes" have it.

I understand that we will stack this with any future vote on this bill. Is that correct?

Mr. Deans: Mr. Chairman, I think we might as well vote now.

Mr. Renwick: I think we will vote now, Mr. Chairman.

Mr. Chairman: Hadn't your House leader agreed to stack it with any other vote on this bill?

Mr. Renwick: My House leader and I are in constant communication.

Mr. Chairman: I understand it is stacked then.

Interjections by hon. members.

Mr. Chairman: Shall section 2 stand as part of the bill?

Section 2 agreed to.

Mr. Chairman: Shall section 3 stand as part of the bill?

Section 3 agreed to.

The committee divided on whether section 1 should stand as part of the bill, which was approved on the following vote.

Clerk of the House: Mr. Chairman, the "ayes" are 67, the "nays" are 15.

Mr. Chairman: I declare the motion carried. Shall the bill be reported? Carried.

Bill 54 reported.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports one bill without amendment and asks for leave to sit again.

Report agreed to.

THIRD READING

The following bill was given third reading upon motion.

Bill 54, An Act to amend the Land Transfer Tax Act, 1974.

Mr. J. A. Renwick (Riverdale): We support the third reading.

ROYAL ASSENT

Mr. Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in her chambers.

Clerk of the House: The following are the titles of the bills to which Her Honour has assented:

Bill 14, An Act to amend the Territorial Divisions Act.

Bill 23, An Act to amend the Regional Municipality of Haldimand-Norfolk Act, 1973.

Bill 31, An Act to provide for the Annexation of certain Lands to the city of Cornwall.

Bill 33, An Act to amend the Ontario Educational Communications Authority Act.

Bill 34, An Act to amend the Master and Fellows of Massey College Act, 1960-61.

Bill 36, An Act to amend the Ministry of Housing Act, 1973.

Bill 53, An Act to amend the Financial Administration Act.

Bill Pr12, An Act respecting the city of Niagara Falls.

Bill Pr27, An Act respecting the town of Oakville.

Bill Pr30, An Act respecting the city of Toronto.

Clerk of the House: The second order, House in committee of the whole House.

LAND SPECULATION TAX ACT

Clerk of the House: House in committee on Bill 25, An Act to impose a Tax on speculative Profits resulting from the Disposition of Land.

Mr. Chairman: Bill 25 then; the hon. minister.

Hon. Mr. Meen moves that the reprinted copy of the bill be the copy considered by the committee.

Motion agreed to.

Mr. Chairman: On the bill then.

Mr. J. E. Bullbrook (Sarnia): On a point of order, perhaps you could direct me, Mr. Chairman. I would just like to understand how we can give that particular nomenclature to the bill when we haven't amended it yet?

Mr. Chairman: It was requested by a number of people on all sides of the House that for the easier consideration of the bill the amendments be incorporated in a reprinted bill. The motion has been put and carried, that this bill shall be the one that shall be considered.

Mr. Bullbrook: With the greatest respect, Mr. Chairman, you realize that's wrong.

Mr. Chairman: No, it is firmly established in precedent.

Mr. Bullbrook: What is firmly established?

Mr. Chairman: The matter of considering a reprinted bill.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, it was a motion, as I understand it, by the Minister of Revenue. Is that right?

Mr. Chairman: It was put, placed and carried.

Mr. Renwick: It was carried? Didn't we object to it?

Mr. Chairman: Any comments, questions,–

Mr. Bullbrook: As a point of order, just what was carried?

Mr. F. Drea (Scarborough Centre): If you were here, you would know.

Mr. Bullbrook: Where did you come from?

Mr. Chairman: The hon. minister had moved that the reprinted bill be the bill that we consider before the House.

Mr. Bullbrook: Mr. Chairman, may I speak to a point of order? I am serious about this point of order. I want to know how the Clerk of the House can read out consideration in committee of An Act to impose a Tax on Land in respect of certain speculative Transactions affecting the Control or Ownership of Land, when there is no such Act?

Mrs. M. Campbell (St. George): He didn't say that.

Mr. Chairman: No.

Mr. Bullbrook: This is what I asked. This is why I got up on the point of order.

Mr. Chairman: If I may clarify that, the Clerk did not read that.

Mr. Bullbrook: What did the Clerk read then?

Mr. Chairman: The Clerk read An Act to impose a Tax on speculative Profits resulting from the Disposition of Land, Bill 25.

Mr. Bullbrook: All right, okay; and then what happened?

Mr. Chairman: Then the minister rose to move that the bill as amended, as we discussed the other day, would be the bill that would be considered.

Mr. V. M. Singer (Downsview): All right. Now on a point of order, Mr. Chairman, I heard you start to say: "Are there any comments, etc., on any of the sections."

Mr. Chairman: Had I got that far?

Mr. Singer: I think that is improper. I think you have to deal with each addition, because we are replacing all these things with hands and arrows and underlining. We are substituting those for what was in the old Act. So you have to call each of those

or the minister has to present each one of those as an amendment. Right?

Mr. Chairman: No, no.

Mr. Singer: Oh yes; indeed he does. Merely putting them on this paper and our agreeing to consider the bill as reprinted does not mean the amendments are before the House. You have to put each amendment; let's have the minister move it and we will see whether or not the House likes it.

Mr. A. J. Roy (Ottawa East): Mr. Chairman, if I might raise another point of order, I thought the Clerk read—

Mr. I. Deans (Wentworth): How about dealing with the one that's been raised first?

Mr. Roy: No, no; this—

Mr. Chairman: Let's stay on this one first.

Mr. Roy: Just a second. This point of order has to do with even the title of this thing, because—

Mr. Chairman: Order please.

Mr. Deans: Surely you can't have two points of order before you at the same time?

Mr. Roy: The title was amended and passed.

Mr. Singer: No, no.

Interjections by hon. members.

Mr. Chairman: Order please.

Mr. Renwick: On a point of order. I wouldn't want the member for Ottawa East to misunderstand it. We don't want to speed this thing up too much. Let's take them one at a time.

Mr. Roy: Mr. Chairman, it was my understanding the other day that the minister proposed an amendment to the title calling it "disposition"; we had a vote on it and it was passed.

Mr. Chairman: I'll call each one in order. The vote was on section 1, subsection 2.

Mr. Singer: You'll have to call each one as an amendment, and/or underlinings; or whatever they are.

Mr. Chairman: Order please. In my opinion, when the House accepted the motion to study this—

Mr. Singer: To study it, but there are no amendments before us.

Mr. Chairman: Order please. As amended, as it's reprinted, that in effect is placing each amendment en masse.

Mr. Singer: That isn't it at all. It's merely a matter of convenience.

Mr. Chairman: And by carrying each section it automatically takes care of the amendment.

Mr. Singer: They're each an individual thing.

Mr. Deans: Mr. Chairman, it can't be that way, simply because on second reading we passed a bill in principle which is considerably different from the bill that's before us; and in order to have this bill passed it must be necessary for each section to be moved independent of and compared with the previous section.

Mr. Renwick: That's right.

Mr. Chairman: It doesn't actually preclude the minister from having to move each amendment individually. We'll have to carry each one.

Mr. Deans: That's right. You'll have to move and carry each one.

Mr. Chairman: I'll ask you, for instance, in section 1, 1(a) or 1(c), whatever the proper—

Mr. E. R. Good (Waterloo North): Mr. Chairman, on this point of order—

Mr. Chairman: Order please. I'm not finished speaking.

For example, on the title! I'll ask shall the title stand as part of the bill, and it's up to the House to decide whether it shall or not.

Mr. P. D. Lawlor (Lakeshore): That's good. That's what we want to be asked.

Interjections by hon. members.

Mr. Singer: With respect, Mr. Chairman, we have a bill here, and for the sake of convenience the House gave consent to consider a reprint with amendments in it. There is no amendment in fact put before the House unless the minister rises in his place and puts each amendment. Unless he does that you just can't deal with the bill that way. We haven't got an amended bill here in front of us at all unless each amendment is put.

Mr. Deans: Individually.

Mr. Good: Mr. Chairman: on this point of order, I think there was a very related precedent set last year with the University of Waterloo bill, in which the then Minister of Colleges and Universities (Mr. McNie) entered about a dozen amendments into a bill after the first printing and advertising. The only way it could be dealt with was that he had to introduce a new bill including all the amendments which had to be debated, or all of his amendments had to have the consent of the standing committee that was dealing with the bill.

The same situation exists here. We have to approve the amendments introduced by the minister. I think the main purpose of reprinting the bill was to facilitate the mechanics of the passage of the amendments. We couldn't deal with them in any other manner. So either we have to introduce this as a new bill and go through everything; or we have to continue with the amendments individually and vote on them.

Mr. Singer: Right.

Hon. A. K. Meen (Minister of Revenue): Mr. Chairman, with respect, the hon. member for Waterloo North is referring to the procedure under the private bills committee and the requirements for advertising and the like. In the case he's speaking of, if memory serves me, there was a ruling that there was inadequate advertising, so they had to go through the whole procedure again. But that has nothing whatever to do with this procedure. What we have before us today is a reprinted Bill 25 that incorporates the various amendments which I gave to hon. members of the House on Tuesday.

Mr. Renwick: Was this a private bill?

Mr. Singer: They were never approved. They are not before the House.

Mr. Chairman: Order please.

Hon. Mr. Meen: At their request, and I acceded to that request, we incorporated those amendments into this now reprinted copy of the bill for the convenience of the members here today. As I understand the rules of the House—and, Mr. Chairman, you can correct me if I'm wrong—once this bill as printed in this form as before you was moved, as I have done, and the House carried it, that—

Mr. Bullbrook: No; we didn't carry it. That's the thing.

Hon. Mr. Meen: —that it be used for the purpose of consideration of the committee, that then you may deal with each of these sections and subsections wherever there has been an amendment, or indeed on through every one of the sections and subsections whether amended or not, in the usual form. The hands indicating any changes, therefore, are for the benefit of the members so they can debate the matter.

Mr. Bullbrook: No, no. That's why I rose on the point of order. I want to say to you, sir, I want you to know unequivocally, that that's why I rose on the point of order. I wanted to know what the order of business was. I still don't know the nature of the motion that was carried without consideration by the House.

Mr. Renwick: That's right.

Mr. Lawlor: My point was precisely the same, Mr. Chairman. What was the order? What is the interpretation or construction of that particular motion? It couldn't possibly be what the minister has just put before us. We would not accept that. We were trying to accommodate the minister, but not that kind of flim-flam.

Mr. Singer: No, sir.

Mr. Roy: How would you like to have a vote without ringing the bell?

Mr. Singer: No, we will ring the bell.

Mr. Chairman: Order please. This procedure was established in previous years. I remember it quite distinctly.

Mr. Singer: This has never been done this way.

Mr. Chairman: Yes it has.

Mr. Singer: Never.

Mr. Renwick: Not in the time I have been here.

Mr. Chairman: However—

Interjections by hon. members.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Chairman, if you will permit me, I haven't participated in the point of order yet. I will simply draw to your attention, sir, that the only time a bill with the amendments in this form is put forward, without the amendments having been placed, is if they actually come from a committee discussion.

Some hon. members: Right.

Mr. R. F. Nixon: We are in a committee discussion now and I would ask you, and I would certainly ask the minister, not to hold up the proceedings any further, but to allow us to use this reprinted bill—

Mr. Renwick: The minister has caused enough trouble already.

Mr. R. F. Nixon: —as a convenience, surely, with the amendments that he is proposing. But he must surely move the amendments before the House, have the Chairman put them, have a debate and a discussion—perhaps a division—and move through the bill step by step in that way.

An hon. member: Right.

Interjections by hon. members.

Hon. Mr. Meen: Mr. Chairman, if you so rule I will be content to do that. But as I understand the practice, that was not the requirement.

Mr. Roy: Why does he argue?

Mr. Bullbrook: Move the amendment.

Hon. Mr. Meen: If they want me to go through that routine, I will, but I don't think that is the practice.

Interjections by hon. members.

Mr. Singer: Start with the title.

Mr. Chairman: Order please, I am sure I remember having done it the other way. To make myself clear—and I'll make my ruling in a moment—I'm sure I recall, I could be mistaken because we are all human, but it seems to me that when the minister moved that this bill be the one to be considered rather than the combination of the old bill and a mass of amendments on separate pieces of paper, that automatically, in effect, places all the amendments.

If you wish, you can do it the other way and have each amendment proposed. They are all clearly marked out, it just takes a little longer; it accomplishes the same thing in the end. Is that the wish of the House?

Interjections by hon. members.

Mr. Chairman: All right. The first amendment, then, is to the title.

Hon. Mr. Meen moves that the long title of Bill 25 be struck out and the following substituted, therefor: An Act to Impose a Tax on Land in respect of Certain Speculative Transactions Affecting the Control and Ownership of Land.

Mr. Roy: That wasn't very definite.

Mr. Chairman: Shall the motion be carried?

Mr. Singer: No. Mr. Chairman, we had a long debate on the minister's first change of title on Tuesday. After a division it was carried, and then the minister came in with a second change.

Mr. Chairman: May I rule on that? Really, in that case, then, if we are going back to the original procedure I ruled on that situation where we left it. If you recall, I told members the basis of my ruling.

Mr. Bullbrook: Yes, that is correct, you did.

Mr. Chairman: I had a ruling here.

As was just mentioned, the question was raised on Tuesday as to whether or not the title of the bill could properly be the subject of an amending motion. I ruled at that time there is no question that the title, being part of the bill, can be amended the same as any other part.

There have been a number of occasions when titles of Acts in the statutes have been changed by an amending bill. And as the hon. member for Brant (Mr. R. F. Nixon) pointed out, and it was brought to our attention, there was a case in 1966 when the proposed new title of the Department of Agriculture Act was changed by amendment in committee from the Department of Food and Agriculture Act, to the Department of Agriculture and Food Act.

Mr. R. F. Nixon: No change in principle there.

Mr. Chairman: When the second amendment to the title was then proposed and a lengthy debate ensued, you will recall I decided to reserve ruling on that matter. Not because there was any doubt about the authority of the committee to amend the title, but to give myself some opportunity in a somewhat more relaxed atmosphere to decide whether the proposed amendment could in any way affect the principle of the bill.

As the proposed new title appears to explain the purpose of the bill as set out in the explanatory notes, I am of the opinion that it cannot be considered to affect the principle. I therefore rule the amendment in order, as proposed at that time.

Mr. Renwick: Thank you, Mr. Chairman.

Mr. Chairman: You may discuss that—not the ruling but the amendment.

Mr. Singer: Mr. Chairman, I find it a little difficult to follow that; not only the ruling but particularly the purpose that lies in the minister's mind.

Mr. Renwick: Mr. Chairman, on a point of order—

Mr. Bullbrook: We don't challenge rulings lightly.

Mr. Renwick: I am not questioning your ruling. I want to resolve in my own mind the inherent contradiction which is involved in the decisions whch you made last week. As I recall it, when this matter was before us, you ruled that the amendment to the title was in order—

Mr. Chairman: I ruled it was proper to make an amendment.

Mr. Renwick: Yes. Your ruling was challenged and you were upheld by vote of the House. Then the minister introduced the amendment, and then he introduced what I understood was a sub-amendment.

Mr. Singer: Right. It was seconded.

Mr. Renwick: Your real question was about the sub-amendment, as I understand it; that was the matter on which you reserved your decision.

Mr. Chairman: If I may explain it; it wasn't as to whether or not it was proper to do that but as to whether it might change the principle of the bill. I have ruled now that it did not change the principle of the bill.

Mr. Renwick: Mr. Chairman, again from the point of view of clarifying, as you may understand, my own rather confused thinking about this matter, what you are saying is that the substantive change originally made by my friend, the Minister of Revenue, was all right but the sub-amendment was all wrong?

Mr. Chairman: No, I didn't say that.

Mr. Renwick: The words now in the bill are "speculative transactions," and that was the motion by the minister for the sub-amendment.

Mr. Chairman: No, I held my decision over as to whether the sub-amendment changed the principle of the bill. I ruled today, upon reflection, that it did not change the principle of the bill and therefore is in order.

Mr. Renwick: May I ask a further question, Mr. Chairman? Did you receive an opinion of the law officers of the Crown with respect to this matter, and if so would you read it to us?

Mr. Chairman: In consultation with others, I came to this conclusion.

Mr. Renwick: Mr. Chairman, you are an officer of the House; you are not a member of the government. If you have received, on behalf of the House, an opinion of the law officers of the Crown on this question, I think we are entitled to have that opinion read to us and to have it as part of the proceedings of the House.

Mr. Chairman: Order please. You are questioning my ruling now and it is out of order. I have come to this conclusion and the amendment to the amendment is in order. If you wish to discuss the amendment to the amendment, we may proceed. If not—

Mr. Singer: No, having got to that stage, Mr. Chairman, I would like some kind of an explanation from the minister, because I think it is about time the government laid all its cards on the table. Why has he piddled about—

Mr. Renwick: Face up.

Mr. Singer: —with the title unless he is prepared to admit to us there now exists in the minds of the ministry some very substantial doubt as to whether or not the income tax officials of Canada will allow the tax intended to be imposed by this statute as a deductible business expense? It has nothing to do with constitutionality at all. I want to know why and how and for what reason you think you can bring a bill like this before us without taking the basic step of contacting the responsible minister in Ottawa, be he the Minister of Revenue or be he the Minister of Finance or the deputy minister.

Mr. Drea: They aren't ministers now.

Mr. Singer: They are still ministers and they will still be ministers after July 9.

Mr. Roy: I hope you go campaigning for him because it is going to help him.

Mr. Drea: I don't lose nominations; now be a good boy.

Mr. Roy: Never mind, you'll lose your seat next time.

Mr. Singer: I want to know, Mr. Chairman, how this bill can come before us, intending

to impose a tax in the manner proposed in the statute, without the minister being able to tell us he has approached the people in Ottawa who would make these decisions and had a ruling from them. If he can't explain that, then there is no point in dealing with this bill at all. Because if this tax is not allowed as a business expense, if this bill passes, the government of Ontario will be imposing a tax in certain instances as high as 112 per cent of the amount to be taxed, which is confiscatory and ridiculous.

Surely, Mr. Chairman, this minister or his deputy or his senior official could have gone to Ottawa in the time this bill has been before the House, since April 9—or the Treasurer of Ontario (Mr. White) or his deputy could have gone—and could have got some sort of ruling. They could have spoken to Mr. Gray or Mr. Turner or the deputy ministers of either of those people. Perhaps they could have gone to the technical interpretation section of the Department of National Revenue and got an opinion. Perhaps they could have gone and got a ruling from the income tax people; those things are known. Or, Mr. Chairman, somebody could have picked up the phone and said: "This is the government of Ontario. This is what we propose to do. What is your attitude going to be about it?" And unless or until that kind of information can come forward in a definitive statement—not in shilly-shallying or in fake stories about constitutionality, but in a definitive statement—there really is no point in considering this bill because we don't know what kind of a bill we are considering. Are we talking about a bill that will impose a tax of 50 per cent of profits or are we talking about a bill that is going to end up imposing a tax of 112 per cent? I think the people of Ontario are entitled to know.

Mr. Lawlor: We are going to have to vote against it.

Mr. Singer: And I think it's up to the minister to explain and to come clean at long last—

An hon. member: Come clean!

Mr. Singer: —with this House and with the people of the Province of Ontario and tell us what kind of a ruling he has from the people in Ottawa.

Mr. Renwick: Mr. Chairman, in the course of the time that this bill has been stood down, one ruminates on the very question which the member for Downsview again raises in the Legislature and which goes to the root of the problem.

The ministry—at least the minister hasn't done us the courtesy of providing us with the information—cannot even give us the decision, section by section, under which this tax will be deductible even under the Corporations Tax Act of the Province of Ontario. They cannot even correlate this particular—

Mr. Bullbrook: Maybe he can. Ask him. Ask him today if he can. He's had time to find out.

Mr. Renwick: He's had time to find out but he obviously hasn't. He thinks that in his unlimited discretion he will be able to allow the deduction of this tax for corporations tax purposes in Ontario—

Mr. Singer: He doesn't know the rules of the game, more than anything.

Mr. Renwick: But there is no such discretion vested in the minister. He is not anointed to do that kind of thing.

Mr. R. F. Nixon: In fact he cannot make any policy at all.

Mr. M. Cassidy (Ottawa Centre): He's not anointed for anything in my observation.

Mr. R. F. Nixon: But he won't be responsible for policy.

Mr. Renwick: There is no question whatsoever that the conservative backbench members of the Conservative Party will not lend themselves to imposing a tax without debating the tax if it is confiscatory, which it would be if it is not deductible either for Ontario corporations tax purposes or for federal tax purposes. Now unless there has been some change since we last debated this bill, the minister has told us that he had no communication with the government in Ottawa. He told us that he thought it was deductible for corporations tax purposes—

An hon. member: There is no government.

Mr. Singer: There is no Parliament, but there is still a government. The hon. member had better go back to the textbooks.

Mr. Renwick: But there is no way in which it is deductible. There is no general principle in the Province of Ontario that if it levies a tax, that automatically that tax is deductible. There has to be a specific section, either of the Income Tax Act of Canada and/or of the Corporations Tax Act

of Ontario, under which the matter can be deducted.

As I say, we all have our bibles. I happen to have the 22nd edition of Gilmour's handbook, and if the minister will look at the index and the headings and read the book, there is nothing which provides for a deduction of an Ontario tax unless that tax is specifically identifiable, either in the statute or in the regulations, and it is not so specifically identifiable.

We cannot possibly vote on a change in the heading of the Act if the minister cannot satisfy us about this matter.

Mr. Chairman: The hon. minister.

Hon. Mr. Meen: Mr. Chairman, the rulings from Ottawa in the past have been that costs directly related to any particular transaction are deductible as an expense of that transaction. When they are not related to the tax picture of the corporation for its fiscal year, or of an individual for his taxation year, then they are related to the transaction itself; as, for example, the land transfer tax that is payable on an ordinary transaction and the cost of one's legal fees when the transaction is being completed. All of these things are appropriate deductions before computation of tax. Our provincial corporations tax sections are virtually identical to the federal tax sections in this regard. We think—

Mr. Cassidy: You think?

Hon. Mr. Meen: —that it is quite appropriate indeed that, barring some ruling to the contrary—

Mr. Singer: Oh come on. Barring some ruling to the contrary!

Hon. Mr. Meen: —we are entitled to proceed in the future on the basis of the laws as they stand at present and as they have been interpreted.

Mr. Bullbrook: Interpreted by whom?

Hon. Mr. Meen: Obviously we could not submit the draft bill to our colleagues in Ottawa—

Mr. Singer: Why not?

Hon. Mr. Meen: —before April 9. And now, of course, I suppose it's fair to say there's no one up there to whom to submit them.

Mr. Singer: Come on!

Mr. R. F. Nixon: Yes, there is!

Mr. Bullbrook: You could go up there and ask.

Mr. Drea: There is no government there now.

Mr. Bullbrook: He is as crazy as you are to take the attitude that there is no government. There is no Parliament.

Mr. Drea: Be very careful about using those words about me.

Mr. Singer: He is as crazy as you are. There is always a government.

Hon. Mr. Meen: In any event, the Minister of Finance of Canada was asked, a week ago Tuesday, what his position was, and a week ago Tuesday, he advised the House in answer to that question in the Commons that until he saw a final copy of the bill he was not prepared to make any ruling. Consequently, we are left to proceed on the assumption that the law will remain as it is at present.

Mr. Chairman: The hon. member for Sarnia.

Mr. Bullbrook: I want to go ahead just for a moment. May I say that for you as a minister of the Crown to infer for even one moment that in view of the fact that there might not be someone there, you hesitate to approach Ottawa at the present time to make some definitive conclusion from the federal point of view as to the impact of this statute, is almost as incredible as the comment made by the hon. member for Scarborough Centre? There's always a government with which you will deal.

But I want to reiterate something that has been said by my colleagues on several occasions, and that is the gloss of the Treasurer standing there on April 9 and pointing up to his guests, approximately 60 of them—

Mr. M. Gaunt (Huron-Bruce): In the Speaker's gallery.

Mr. Bullbrook: —in the Speaker's gallery, and saying: "Now, we'll give you the pronouncement." The fact of the matter is that it was nothing but gloss, Mr. Chairman—nothing but gloss.

Mr. Chairman: Order please. Will you speak to the amendment?

Mr. Singer: He is.

Mr. Bullbrook: I'm speaking right on the amendment.

I want to say this to you: Your Treasurer didn't for one moment consider the technical impact of what he was saying in his general platitude, and this is quite obvious.

My colleague from Downsview has asked you the question, have you got a ruling in this connection? He wants to know, as does everybody want to know, whether this tax is a confiscatory tax. Because we, as Liberals, have said that the principle of this type of taxation is attractive and beneficial to the people of Ontario and we voted to support the principle of the bill. But on Tuesday my leader (Mr. R. F. Nixon) made it amply clear to the minister responsible for the collection of this tax that we can't support it if it's going to be confiscatory.

Through you, Mr. Chairman, I want to ask the question in the appropriate stages. The first bill that was given to us read: "An Act to impose a Tax on speculative Profits." Now it's known by all that that isn't what the Act says. The Act was to impose a tax on land. Now you saw the difficulty, at that time the Minister of Revenue saw the difficulty.

I want to digress by saying it is indeed unfortunate that the Treasurer of Ontario, who is responsible for the policy, is never here to join in the debate on these most significant matters. As much as we admire the responsibility of the Minister of Revenue, he is nothing more than a tax collector, and he and his predecessors have told us this on many occasions. He is not responsible for the development of the policy that led to the institution of this particular bill, and we should have the Treasurer here.

The fact of the matter is that now you have asked us to support you in a proposed amendment in connection with the name of the statute itself.

And the reason you bring forward this particular amendment is to extricate yourself from the difficulty that the tax itself will not be a legitimate expense to people, and that it will result in a tax of 112 per cent on a gain, which nobody in this Legislature could possibly support in conscience or content.

So I want to put this to you. It was obvious negligence when the Treasurer of Ontario said to a reporter when asked about the bill's impact with respect to federal authorities: "I don't know what the federal authorities will do." That was his very response on the day he presented the budget.

Now you are saying, in effect, that nothing has been done by this government to give assurance to this House or the people of Ontario as to the impact of the tax. I want to put the question to you, in line with the comments made by the member for Riverdale but not just relating to the provincial corporations tax. I want to know and I want to have, without equivocation, an understanding that if I am to vote for this change in name it is to assist the minister in being able to argue on behalf of the people of Ontario that the change in name is appropriate so that we can extricate those people from the possible difficulty of being involved with a tax of 112 per cent. I take it that is the purpose?

All right. Now we do have a nod from the minister, Mr. Chairman, which says: "Yes, the member for Sarnia is correct"?

Mr. Singer: Then why did the minister take the the path about constitutionality when he came in the first time?

Mr. Bullbrook: I want to vote in favour of the change in name, and it is not just "a rose is a rose" situation here. The change in name is a significant, purposeful one. So I want to know how the minister's officials have come to the conclusion that by deleting the word "disposition," defined on seven separate occasions in the bill, and substituting for it the word "transaction", the name change will assist the minister in assuring the House that it will be a legitimate expense concerning the calculation of expense in connection with the federal tax. That's what I want to know.

Mr. Chairman: On the same point, the member for Lakeshore?

Mr. Lawlor: My colleague the member for Riverdale rightfully made this fundamental point. Apparently it went right by the legal eagles in the Liberal Party.

Mr. Singer: On a point of order, Mr. Chairman, if the hon. member will look at Hansard—

Mr. Lawlor: I read Hansard.

Mr. Singer: During the second reading of the debate that was the first point I made; and I made the first speech on it. So as usual you are wrong.

Mr. Lawlor: Then in the face of this matter, which has become of such catastrophic and horrendous significance all of a sudden, the Liberal Party is now about to go volteface and fall straight on its—rectum I think is the word.

Of course the point is well taken. Of course you have to alter the impact of your legis-

lation and the very wording, because as we see it the tax is confiscatory. I have in my hand a host of transactions which will attract various incidence of the tax ranging from about 70 per cent to about 117 per cent. You will find yourself in that bind if you can't conclusively state to this House that the tax will not have this effect. If you can't do that, then I think you must, on the basis of good Conservative principles as much as anything else, withdraw the bill very quickly and reconstitute your whole scheme. Because it seems to me to be vitiated right from the outset by the very concept of taxation which you have invoked here.

Mr. Chairman: The hon. minister.

Hon. Mr. Meen: Just let me say this—

Mr. Renwick: Mr. Chairman—

Hon. Mr. Meen: It happens I was on my feet ahead of the hon. member for Riverdale for a change.

Mr. Renwick: I yield graciously.

Hon. Mr. Meen: I'm sure.

Frankly, I think it might just assist a little bit to tell you this, if indeed there is any doubt. What worried me from the beginning when I looked at the title, after I had received a few letters raising this point and after listening to the expression of doubt by some of the hon. members opposite, was the reference to profit.

Mr. E. W. Martel (Sudbury East): It didn't worry the minister.

Hon. Mr. Meen: The taxation of profit worried me, because, really, some people might interpret it to relate to a fiscal period, or to the taxation year of the taxpayer. Of course that was not what we were seeking to do. It was, therefore, on my instruction that my people went back to try to come up with a name which would be descriptive of the nature of the bill—

Mr. Singer: Or two names, or three names.

Hon. Mr. Meen: —but which did not use the word "profit." In doing so they came up with the reference to disposition and without reference to speculation, which is what we all call this bill. We all call it the "Spec Act" or the "Spec tax Act"; or the land speculation tax Act as I have for the short form or whatever.

Mr. Singer: We just invented it the day before you brought it into the House.

Hon. Mr. Meen: Nowhere else is it referred to as such except, I guess, in the very last section of the bill.

In any event, in looking at this and listening to the objections raised by members opposite on Tuesday, it seemed to me that we would have a long title more descriptive of the fundamental principle of the bill if I were to revert to some kind of terminology that included the reference to speculation, because that's what we were dealing with. In doing so, I felt that looking at the word "disposition" and the definition of "disposition" under sub clause (4) of 1, (1), which talks about the sales—

Mr. Singer: You are answering everything except the questions we asked.

Hon. Mr. Meen: —it is evident it's really not a tax in reference to the sales or transfers; it's a tax in reference to the increase in value, you might say, between the acquisition value, with its basic allowances and the sale proceeds.

Mr. Cassidy: That is the profit value.

Hon. Mr. Meen: So "disposition" seems to be a far more narrow term than I wanted to apply in a generic way to a title. Consequently, we arrived at the view that the words "speculative transaction" grasped the whole of the area, from the acquisition of the property through to its sale, and consequently reflected the increase in price.

Mr. Cassidy: You are on weak ground. This is not a political debating point.

Mr. Chairman: Order please.

Hon. Mr. Meen: Therefore, it was just a matter of looking at the difference in price. Then imposing the tax on the land in reference to that differential in price is the way in which the Act applies. Of course , in coming back to the question of the title, therefore the amendment to the title describes it as dealing with speculative transactions.

Just to reiterate on the matter of the imposition of the tax, I would assure the hon. member for Sarnia that our thinking is as his, that we would not want the tax to be confiscatory. I don't think any of the members in this House seek to have a confiscatory tax.

Mr. Renwick: That's right, without knowing what we are doing.

Hon. Mr. Meen: If one achieved a net taxable picture of the order of 100 per cent, one would never see any lots placed upon the market. So although some of us might like to see a tax pretty close to that, we've got to be realistic about these things. And it follows then, that our approach at 50 per cent, on the assumption of the current application of the Income Tax Act being continued—

Mr. Singer: That's not so.

Hon. Mr. Meen: I would say, with respect, to the hon. member for Downsview, that that is the opinion of our best legal advisers.

Mr. Singer: Who gave you the opinion? Did you get an opinion from Clarkson and Co. Ltd.? Did you get the opinion from the law office? Did you get the opinion from your own people?

Mr. Chairman: Order, order.

Hon. Mr. Meen: Our best law officer of the Crown.

Mr. Singer: Did you get an opinion from Ottawa?

Mr. Chairman: Order please.

Hon. Mr. Meen: Of course we have no ruling from Ottawa, and I told the hon. members why.

Mr. Singer: You haven't? You haven't even asked Ottawa.

Hon. Mr. Meen: The point is that if, and this what I say to your colleague from Sarnia —I'm saying this to the member for Downsview—that if a ruling should come forward that was different from our interpretation of the law as it stands at present, then the Treasurer has indicated, and I have already indicated, we would have to take a look at the application of our Act and the percentage factors again, so that it would not be confiscatory in the net result.

Mr. Cassidy: I think you are violating the sacred right.

Mr. Chairman: The member for Riverdale.

Mr. Renwick: Mr. Chairman, none of us here are tax experts, including the Minister of Revenue, so we can't fool around with the game by trading expertise.

Mr. Cassidy: I think the Hansard reporter knows more than the minister.

Mr. Renwick: I happen to have a Peat, Marwick, Mitchell and Co. tax letter, dated April 15, dealing with the budget and presumably it is the document they sent to all of their clients with respect to the Ontario government budget. Under a very interesting underlined heading, "Other Anomalies and Questions," it says:

> It is not immediately clear from Bill 25, as first presented, whether the proposed land speculative profits tax is or is not of the nature that would be deductible (as an expense) in computing the vendor's income for federal or provincial income tax purposes. If not so deductible, taxes on sale of trading land would aggregate more than the profits.
>
> While the bill does strive to make clear that its charge is imposed "on the land," the matter appears to fall into the unsettled areas in distinguishing between what is recognized as a tax in the course of carrying on a business and what is looked upon as a sharing of profits (with the governments) after they have been realized; under existing income tax laws the latter is not allowed unless specifically provided for. This may be the subject of much technical – and political – dispute. Indeed, this may have been one of the matters in mind when the Treasurer stated, "thus during the first year of operation I envisage a series of amendments and refinements to the land speculation tax bill."

My own guess is that if the minister had the tax letters to the clients of the other leading accounting firms, they would find similar qualifications with respect to the question that is involved. I cannot conceive that we are being asked to pass the kind of tax legislation which raises that kind of problem for the business community and the financial community, according to those who are much more knowledgeable than we can ever expect to be in this Legislature.

Mr. Chairman, it's all very well for us to play our verbal games, but in the light of that kind of expertise, we cannot possibly tolerate for one moment the suggestion that we can pass this bill and then leave it until some indefinite time in the future before the incidence of the tax, the nature of the tax, the basis of the tax, the subject of the tax, the matter of the tax and who is to pay the tax are clearly enunciated and stated. It's as simple as that.

Let's not fool around, because one of the fundamental obligations of a legislative assembly is to know what it's doing when it imposes a tax. We just cannot participate in

a game that this government wants to play. They don't know, we don't know, tax experts don't know, the federal government in Ottawa doesn't know; and the minister doesn't know. With the greatest respect for his opinion on some matters, the minister's opinion about tax matters can be matched with mine, or with the member for Sarnia, the member for Downsview, the member for Lakeshore, the Minister of Housing (Mr. Handleman) and others. We can dispute this question until nightfall, but it will not be clarified in this debate.

We cannot, therefore, support either the change in the title of the bill or the substance of the tax, and that has been our position right from the beginning. It puts us in a very uncomfortable position when you ask us to vote on a matter that none of us understands, including the government, the minister, and the Treasurer whose policy it is. He doesn't even deign to come into the House except when you are in trouble.

For all practical purposes I don't know what makes you want to subvert the system. You can be capitalists, you can do whatever you want to do, but you can't fool around with the obligation of the assembly regarding the just levying of taxes on the people.

There is no sex appeal in this issue for the ordinary voter out there, but it is a fundamental principle. I don't know whether or not the minister ever reads any sort of constitutional history, but I suggest that he read the first volume of the life of William Pitt the Younger. He should read about the fiscal reorganization of the government of England at the time when the Treasury straightened out all of the matters in relation to their responsibilities to the citizens of England with respect to the levying of taxes and the way in which the Treasury was conducted.

You can't fool around with us on this kind of an issue. Nobody is going to go to the guillotine over it, but I think it is very important the minister understand that for many of us here in this Legislature, including colleagues of ours in the Tory back benches, it is vital that we do not fool around on the question of the levying of taxes. If they want to levy the tax, do it. Do it well, do it understandably and do it clearly; but don't fool around with us.

Mr. Singer: Mr. Chairman, I have a very brief suggestion to the minister. I think he might be able to save face, and the government's face, if he would go along with the following suggestion: You should be prepared, Mr. Minister, to put a section into this statute, right at the beginning, saying that in the event your guess is wrong as to what the rules of the game are, the government of Ontario will refund whatever proportion of the tax is necessary to reimburse those people who would be taxed at the extra rates they would have to pay if they were not allowed to claim a business exemption.

Mr. Bullbrook: It's the assurance we want; right!

Mr. Singer: It is just not sufficient that you give that kind of assurance here. That kind of assurance should be in the bill in a brand new section. If you do that, then we will look at this quite differently.

Hon. Mr. Meen: Actually, I think that is not a bad idea to think about. I don't know whether I can build it into the bill. I'll ask my staff to consider whether we could do that. But I don't think that is a bad idea at all.

I don't know whether one then tailors it to the various types of transactions, or whether one says that if this should happen then we will work it back as though it had been according to the way we believe it to be. And whether we do that under this Act or whether we do it under regulation, but that certainly is my intention it should not be more. If it is altered upward by an adverse ruling, say, in the courts—if it comes to that—there would be a rebate. In fact, I would anticipate that would be a cornerstone of our whole practice of collection of these moneys. We have no intention of making this confiscatory.

Mr. Singer: Have you agreed to write that into the agreement?

Hon. Mr. Meen: I don't know whether we can, that's my worry. But one way or the other—

Mr. Lawlor: As a contribution to the drafting of that particular kind of thing there would be two things at least—two tiers of two things—which should be taken into account. One of them would be a distinction between whether it's an income expense—an expense against income—or whether it's a deduction from the capital gains setup. Where is the weight of this particular expenditure to fall? Or would it be an accretion to capital gains which would have a depreciation factor written into it? None of that is spelled out.

That is only the first step. The major step, I would suggest to you, in any determination as to how this tax falls, what it's incidences are, what it's all about, would be the distinction between those people who are in the business of land dealing on one side and those people, individuals and corporations, who are either in or not in the business. The tax is wholly different in different contexts.

For instance—I won't run through all of the figures—on a $10,000 land gain for individuals who are in the business, the tax now is 61.3 but after this would be 80.7. If that same individual is not in the business of land dealing, the tax as it presently stands is 30.7 against 65.3.

Mr. Chairman: Order, please. Would that line of debate not be more appropriate later in the details of the bill?

Mr. Cassidy: No, it's appropriate now.

Mr. Lawlor: I think it's terribly appropriate now.

Mr. Chairman: Order, please. I didn't ask the member for Ottawa Centre his opinion. It seems to me you are discussing the details of the bill, percentages and otherwise and the definition of designated land, those who will be taxed and at what rates and so on, which comes up later in the bill. Am I right in that, I ask the member for Lakeshore?

Mr. Lawlor: No, with respect, Mr. Chairman—

Mr. Chairman: How does it affect the title?

Mr. Lawlor: —we are talking about the deductibility features in this tax. All I'm seeking to do is spell out—

Mr. Chairman: Order, please. What I'm getting at is how do your comments affect the title of the bill?

Mr. Lawlor: What does any of the debate have to do with the title of the bill? The title of the bill is a constitutional issue. The reason we altered the title of the bill is because of certain tax implications written into that. We had to extrapolate that and we've done so.

Now we are talking about precisely what those tax implications are. The tax implications have been handled in a blanket form up to this point. I simply want to point out some of the niceties connected with it.

If, as the minister has just indicated to you, Mr. Chairman, he is prepared to give some consideration to introducing a brand new clause in this legislation, lifting the tax or alleviating people in case certain types of tax benefits are not granted with respect to other taxes already levied, these considerations, I think, are most pertinent and apropos. They are vital to his cause in the very process of drafting. If what I'm saying now isn't crucial and to the point, nothing which has been said here for the last hour is.

Mr. Chairman: I'm just trying to determine whether it's part of the title or whether it's second reading material as well. We are getting into details, it seems to me, that are part of the bill.

Mr. Lawlor: Mr. Chairman, if I may relieve your mind, I've almost finished. I won't press on. I won't give lots of figures etc. These are the considerations—that a corporation in the business of land selling pays substantially more tax than a corporation in a different category. It is this type of categorization you must be very cognizant of if you make a proposal as deep-reaching and, naturally, as essential to the purposes of this legislation as I see it here.

Hon. Mr. Meen: Really what I'm saying, Mr. Chairman, is that if a ruling were made contrary to our understanding of the way in which the taxes would be applied in the sequence, we can tailor the amount of the tax appropriately so that the taxpayer would be in the same position as though the tax had been applied in the way in which we see it now.

That's a complicated thing to do at best and I'm not at all convinced we could put together something in the form of a section in the Act which would accomplish that. I am reminded by my staff of section 22 sub (2) sub (k)—if the hon. member wants to look at that now or later—which is a provision for regulation to relieve against tax. Under that section, it would be possible to draft—and I would set about doing just that—a provision to protect the taxpayer against the adverse kind of ruling we've mentioned. And section 22(2)(c) of the Act allows for the repayment of tax that might have been overpaid.

So, through those provisions built into the Act already, we have the capacity to deal with this problem. Then you have my undertaking that we would have regulations to accommodate this kind of problem if it should arise.

Mr. Chairman: The member for Kitchener.

Mr. J. R. Breithaupt (Kitchener): Mr. Chairman, while we are looking at the particular title of the bill, the minister certainly can be concerned again with the matter of the 13 days that the member for Riverdale had mentioned.

Just as the land transfer tax was to be amended 13 days ago—and the amendment has now passed the House—so my recollection of information in the press has been that 13 days from now on May 22 there will be a meeting of the Canadian Bar Association to discuss the effects and results of this bill.

It would appear, of course, that if members of the association attempt to follow the procedure in this debate, which indeed might be still continuing by that point, they are going to be as confused as many of us are as we look at the particular title of this bill. Suggestions have been made with respect to an additional section that might be put in, and the member for Downsview has commented as to what its contents could be.

I suppose as a drafting assistance, one might refer to section 8 in Bill 32 that is before the House. That section of course, as members will recall, reads in this form:

> Finally, this Act applies and shall be good for anyone who thinks it should, provided that if strong objection shall be expressed to any section, that section shall not have effect except for those who don't object.

It may be that that bill as introduced by the member for High Park could form the basis of the clause that you are going to attempt to put into the bill.

Hon. Mr. Meen: No, excuse me, on a point of order. I have not suggested I would put any such clause into the bill. I have told the hon. members, Mr. Chairman, that there are sections in the bill now that provide for the rebate of tax overpaid and for sufficient authority for me to adjust the amount of tax. I have just finished telling them that it is a complicated matter and I think that, at least for starters, in this pioneering—

Mr. Lawlor: You could do it by regulation.

Mr. Cassidy: There will be no overpayment in the cases in this House.

Hon. Mr. Meen: —in this pioneering legislation, we can do this by regulation, and probably in the fall—

Mr. Deans: No you can't.

Mr. Lawlor: Take a look at it.

Hon. Mr. Meen: —when we have had a few months to see how this is working, some of these clauses that we have worked out might then be enshrined into the Act by amendments. But, at this stage, I would really hate to try to put together a suitable section to accommodate the area we are talking about.

Interjections by hon. members.

Mr. Chairman: I think that point can be discussed, could it not, on section 22?

Hon. Mr. Meen: Yes.

Mr. Chairman: If we get that far. It will be sorted out by that time on section 22.

Mr. Deans: May I, Mr. Chairman? The minister says he would handle the matter of a rebate by regulation. But the regulations of an Act can't engage the principle or purpose of the Act, and in spite of what is written on page 30, under section 22 (2)(c):

> Any Act taken by the minister authorizing the refund of any tax and specifying the conditions on which the refund shall be made has to conform with the intent of the legislation and the intent of the Legislature to levy the tax.

You can't levy a tax in one section and then grant the minister the power not to levy it in another. You can't do that by regulation. You're not permitted by regulation to exempt someone from paying a tax. You can exempt them by condition of the law. You can say that under certain conditions a person shall be exempt from paying the tax and spell it out, but if you don't spell it out in the Act you certainly can't do it by regulation.

Mr. R. F. Nixon: I think, Mr. Chairman, that the point has been well made. I would just like to say this, that although the minister talks about the rules of the game leading him to assume that this would be deductible as a cost of doing business, I think that if he examines the statements in the recent budget—and without, let's say talking about changes in the government in July, which might lead to a different policy and which we would regret, and which we would not expect to happen—the minister might as well assume that the government of Canada is not going to be keen to give up $25 million in support of the revenue of the Province of Ontario under these circumstances. I think the government of Canada and the three opposition

parties have all gone on record as being against speculative land profits. As a matter of fact, one of the opposition parties had, as one of its direct demands, that the government of the day bring in legislation controlling and taxing speculative land profits.

As you will notice in the budget which was brought down a few days ago, many of the impositions at the provincial level which have been deductible from federal corporation tax as a cost of doing business are not to be deductible any longer. I refer particularly to royalties and certain payments made by resource industries. Without arguing about what is going to happen in July let us assume that that is the policy of the government of Canada and it might well continue to be the policy.

The minister has been correctly criticized for not having negotiations with Treasury officials—if not at the ministerial level at least at the technological level—as to whether or not this would be considered or looked on with some favour as a deduction. In his attempt to make it as attractive as possible when those negotiations do begin sometime—presumably it would be well into the summer—he is suggesting the name be changed so that the word profit be taken out and transaction put in. At least he had the good sense to leave the word speculative in there essentially because in my view its removal did tamper with the principle of the bill. Although many of the minister's colleagues have said "the purpose of the bill is to reduce housing prices and to make more land available for housing, the actual purpose is contained in the title as it was and, in my view, is contained in it as the minister wants to amend it. It is a tax on speculative profits and if it has to do with money dealing with transactions, we'll have to consider that.

The minister might as well assume that this $25 million—or however much it will be—is not going to be deducted by the government of Canada in the interest of the revenues of the Province of Ontario. It might be hoped that it would be, but I think the assumption should not be that it will be deductible as a cost of doing business, but that it will not be deductible. For that reason, I believe it is essential the minister have a clause in here, in the area where the tax in its amount is specifically referred to. He can say, without in any way endangering the commitment he has given in words, that notwithstanding the effect of this tax the amount actually paid by the person concerned and affected by the tax will not go over a specific amount—that is, as the minister has indicated in the principle of the bill, 50 per cent of the profit or the increase in profit based on the April 9 basis.

I do suggest to the minister that he is being naive if he assumes that under the rules of the game, to use his own phrase, this amount payable will be deductible. I would suggest to him that whatever the government of the day will be, he would be very fortunate indeed if he were to negotiate such a deductibility. I don't believe it will be forthcoming.

Since he and others have said clearly they don't want the level of taxation to approach confiscation, surely he should make that a part of the bill, in the principle of the bill, by adding an amendment as was suggested by the member for Downsview. I don't think it would be that difficult even to do. You have a platoon of very wise people under the gallery who must have been spending uncounted hours dealing with this in the past and perhaps it would be possible—I believe it would be possible—to bring forward such an amendment for our consideration.

Hon. Mr. Meen: Let me say this, Mr. Chairman, when we get to section 2, which deals with the application of the tax, we can have more discussion on this point. If, in the interval, I can come up with some kind of provision to deal with it—or if the members opposite, who are assuring me it shouldn't be very hard to do, can give me some idea as to the way in which we can tackle this and let my law officers have a chance to review the proposed amendment or perhaps give some thought to it ourselves over the dinner hour or in the course of dealing with this bill in committee—I certainly would not object to a form of amendment.

In fact, contrary to what the hon. member for Downsview has imputed to me from time to time, I would be only too happy to enshrine any of this material in the bill itself if it's satisfactory and we are satisfied its impact does not go beyond the section and into other sections.

I might just mention that I did in fact get a legal opinion from our law officers that summarized the position we are taking. I could read the whole thing; it is rather lengthy. I think I would prefer—

Mr. Chairman: That would be appropriate under section 2, would it not, Mr. Minister?

Hon. Mr. Meen: Yes, I suppose that would be appropriate under section 2.

Mr. Chairman: In the meantime, we could dispose of the first motion about the title. Shall this motion carry?

Mr. Breithaupt: I have one question, Mr. Chairman, which may affect the views that members of the House take with respect to the motion. That is, to ask the minister if it was his intention to amend the title further in any way following the difficulty we had two days ago. Is it the minister's intention that in fact this will be the final title to this piece of legislation?

Hon. Mr. Meen: Mr. Chairman, I am proposing that the Act stand in the form in which it is printed with respect to the title, and for that matter, with respect to most other things.

Mr. Singer: Mr. Chairman, can I respond to the suggestion that the minister just put forward that perhaps I or one of my colleagues might supply him with some kind of a draft?

Just a few moments ago, I walked out of the chamber with Warner Alcombrack, who is senior legislative counsel for the Province of Ontario, and we were discussing problems of drafting tax legislation. I suppose there is no one more learned in drafting statutes and amendments to statutes than Mr. Alcombrack, presently available to the Province of Ontario. He said quite frankly, and I agree with him, and it is in keeping with what the hon. member for Riverdale said a few moments ago, that the expertise involved in writing tax statutes is an entirely different thing from any other expertise that exists.

I would hope that there lies within the department—that is among the gentlemen sitting under the gallery—that kind of expertise. I would neither be so brave nor so bold as to draft a section of a tax statute which might be definitive in some way. I would want to have the advice of the best tax lawyers and the best tax draftsmen.

Even when you get all that—as those of us who have had to wrestle with the new federal Income Tax Act have seen—some of the results that are achieved are not really what anybody intended in the first place.

A little aside: I have recently had to turn my attention to the meaning of section 41 of the Income Tax Act of Canada. Together with people whose advice I sought, we have come to the conclusion that there's no possible way it can be interpreted. There was an indication in the tax papers, which have gone with the defeat of the government, that that section was going to be amended; but it won't be amended, so it stands on the statute books apparently with no possible way of being interpreted.

So I wouldn't essay the kind of exercise the minister invited me into. It is just beyond my knowledge to try to adapt that kind of a suggestion to this tax.

Hon. Mr. Meen: I think the hon. member is indicating a recognition for the enormous problems that my draftsmen have had in putting together a completely new Act such as this. Consequently, the necessity for such a substantial body of amendments. All I can say is, okay, I had hoped you could give me some assistance.

I'll take a look at it and see if our experts can come up with anything. Otherwise, I think the hon. member is pointing out the very thing that I have been saying all along—that we need some flexibility by regulation to accommodate this kind of thing, if, in the first instance when we are putting a piece of legislation into place, we can't incorporate it into the Act itself.

Mr. Singer: No, that isn't what I said.

Hon. Mr. Meen: Mr. Chairman, I think that pretty well concludes my thoughts, at least on the debate on the title.

Mr. Bullbrook: May I just make one comment to you—facetious perhaps—but may I presume to suggest to the minister that he might seek out the advice and expertise of the Treasurer of Ontario and his assistants, who first came to this conclusion? He put this minister, the tax collector, in the position of having to draft this statute. You might want to go back to the then Deputy Treasurer or the present Deputy Treasurer and ask them to help you out.

An hon. member: Good suggestion.

Mr. Chairman: Will the first motion carry then?

Mr. Cassidy: No, I wanted to make a point Mr. Chairman. I have been sitting listening to the lawyers for some time on this and I wanted to put this question about changing the title of the bill on a more practical kind of level. As far as the title of the bill is concerned, the interpreters—that is, the lawyers—are going to look at it and they are liable to say that the transactions described in the bill are a tax on profits. That then leads to the consequences that the lawyers had talked about in terms of the non-deductibility of this particular tax as far as federal tax is concerned.

The practical import or effect of that in the land market, I would suggest, will be that any well-advised speculator or investor or holder of land, on seeing that he may be liable to a confiscatory tax of a greater value than the profit that he expects to make, will simply keep his land off the market. The assurances that the minister has given in the House that something would be done retroactively in order to compensate him, nevertheless are not sufficient to compensate for that margin of doubt.

A lawyer would say, "It's very fine, Arthur Meen is a fine man and a fine minister, and when the government says something like this in the Legislature, it normally carries it out. Nevertheless, at this moment in time, you would be liable to 110 or 120 per cent of the value of the profit that you are going to make."

Therefore, no matter what we do with this particular amendment, and because of the ineptness of the government in not going to the Treasury and in simply relying on some backbench questions from the Conservative opposition in the parliament, the practical effect is that the Act will stifle normal transactions within the land market for a period that could well be as long as as five or six months, until there is a new government in operation in Ottawa and until they get the thing sorted out.

One has to ask, why has the government got itself into this situation? I hope the minister will appreciate that whatever he says, whatever assurances he makes, the only way around this is to find some other amendment that will assure people that they will not be taxed to a sum greater than the amount of the profit.

It may be, in fact, that what the minister needs to do is to put a clause in here at some point that, quite regardless of definitions or anything else, will say that the sum of all taxes levied on the profit or the designated value, or whatever it is, shall not exceed 90 per cent of that profit. At that point, then, there is an assurance that people who are in the land market will at least not have to pay more than the profit that they manage to make.

Hon. Mr. Meen: I might say that that's rather an interesting suggestion, though. I'll take that into consideration.

The committee divided on the amendment moved by Hon. Mr. Meen to the title of the former Bill 25, which was approved on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 38; the "nays" are 28.

Mr. Chairman: I declare the motion carried, and the new title shall stand as part of the bill.

It being 6 o'clock, p.m., the House took recess.

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No. 45



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LEGISLATIVE ASSEMBLY OF ONTARIO

The House resumed 8:15 o'clock, p.m.

Hon. J. W. Snow (Minister of Government Services): Mr. Chairman, before you proceed with the business of the House, I would like to take this opportunity to introduce to the hon. members the group of young gentlemen from Oakville, members of the 7th Trafalgar Boy Scout Troop, and three of their leaders who are with us this evening in the west gallery.

Mr. C. E. McIlveen (Oshawa): Mr. Chairman, I would like to introduce a group of Oshawa Sea Scouts and their leaders. This seems to be the automotive cities' night tonight. They are in the west gallery above us. Thank you.

LAND SPECULATION TAX ACT
(*continued*)

House in committee on Bill 25, An Act to impose a Tax on Land in respect of certain speculative Transactions affecting the Control or Ownership of Land.

Mr. Chairman: Now in the consideration of Bill 25 are there any comments, questions or amendments in the first part of section 1 down to about the middle of the page? Down to sub-sub (B) inclusive?

An hon. member: Carried.

Mr. V. M. Singer (Downsview): No, it is not carried at all.

Mr. Chairman: I know. The member for Lakeshore.

Interjections by hon members.

Mr. Singer: Well, if you fellows would draft a bill that could be understood, we could go along with it. This has simply got us so confused we—

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): How could we do that to the member?

Mr. Chairman: The member for Lakeshore has the floor.

Mr. P. D. Lawlor (Lakeshore): I confess I don't understand a single phrase in the bill either.

Hon. A. Grossman (Provincial Secretary for Resources Development): It is going to be a great night.

Mr. Lawlor: However, I came in a spirit of great humility, Mr. Chairman, in order to learn from the minister tonight.

Hon. A. K. Meen (Minister of Revenue): Oh come off it, Pat, old buddy.

Mr. Lawlor: Humility. It's a new-found trait

Mr. Chairman, it puzzles me; do you mean to tell me that even at this stage we are finished with the title? Are you serious?

Mr. Chairman: Yes.

Mr. Lawlor: Oh, you are. You have really made up your mind about that? All right.

Interjections by hon. members.

Mr. Lawlor: Mr Minister, that clause (B), do you care to launch into your Delphic oracle trance at this particular stage and describe to me what you have said during second reading with respect to the business of intestacies and wills and the various complications? Or would you rather wait for that for a subsequent clause and come back to it? How do you feel about that?

Hon. Mr. Meen: I think, Mr. Chairman, that the interpretation of (B) can be better understood when we are dealing with the disposition section. Then the hon. member for Lakeshore would probably have some questions in connection with the disposition in an estate resulting through the subclause (B), deriving under an estate.

Mr. Chairman: In the meantime, can it stand as part of the bill? Does the later section affect it in any way?

Mr. Lawlor: Well, on (C) the minister has gone to some trouble with his fool amendment—

Hon. Mr. Meen: This is part of the problem, that—

Mr. Chairman: Order please, we'll have to place that amendment and see if—

Hon. Mr. Meen: Mr. Chairman—

Mr. Chairman: Order please. Before we get that far, is there any further discussion up to that point?

Mr. Singer: I don't know whether there is discussion up to that point or not, but what happened to the old (C) which seems to have disappeared, and why did it disappear?

Hon. Mr. Meen: If the hon. member would care to look in his book I think he'll find the old printed copy of the Act that will have the old (C) in it.

Mr. Singer: I have the old one here and—

Hon. Mr. Meen: We have replaced (C). Actually, section 1, sub (1), sub (a), sub (i), sub C, which is the one we are on now—

Mr. Singer: Yes:

Mr. R. F. Nixon (Leader of the Opposition): That's a capital "C".

Hon. Mr Meen: —is the old sub (C) dealing with non-arms'-length transactions and it's an expansion—

Mr. Chairman: Order please. I think if the hon. minister will read his amendment—

Hon. Mr. Meen: Does the—

Mr. Chairman: Order please; order.

Hon. Mr. Meen: Could I ask the Chairman, does he wish me to read the amendment or would he like me to simply move that subclause (C) of sub (i) of clause (A) of subsection (1) of the bill be deleted and the present sub (C) as it appears in the reprinted copy of the bill be substituted therefor?

Mr. Chairman: I think for the sake of Hansard it should be read once.

Hon. Mr. Meen: Then I'll do so, Mr. Chairman.

Mrs. M. Campbell (St. George): We don't have to—now he is hooked.

Hon. Mr. Meen: I will do so formally, and with some regrets, because we do have some long amendments.

Hon. Mr. Meen moves that subclause (C) of sub (i) of clause (A) of subsection (1) of section 1 of the bill be deleted and the following substituted therefor:

(C) The fair market value of the designated land at the time it was so acquired if it was so acquired:

1. by the transferor from a person or persons with whom the transferor was not dealing at arm's length at the time the designated land was so acquired by him;

2. by the transferor that is a corporation that so acquired the designated land in consideration of the allotment and issue of its shares;

3. by the transferor that is an organization, syndicate, association of persons, partnership, joint venture or corporation without share capital that so acquired the designated land in consideration of the admission to membership therein of any person, or

4. by the transferor by way of gift.

Mr. Singer: Before you sit down, tell us why you deleted all that came below that?

Hon. Mr. Meen: In short, Mr. Chairman, this is an expansion of (C). More specifically and, I think, with greater clarity it touches on the various types of potentially non-arms'-length deals. Sub (1) of (C) specifically refers to non-arms'-length transactions; sub (2) specifically refers to shares that may not have an otherwise discernible value; sub (3) deals with memberships in an organization, syndicate or so on and, of course, sub (4) deals with a transfer by way of gift: Any of those, therefore, with a valuation which is hard to ascertain except by way of ascertaining the fair market value by way of assessment.

Mr. Lawlor: I wanted to say, Mr. Chairman that it goes some lengths; it should be recognized by the House that it does go some lengths. One was trying to figure out in what context, in what various circumstances the fair market value assessments, the fair market value adjustments, were going to be made as opposed to actual value and in what a range of circumstances this would be done. Under the previous bill I found it difficult to do that and this does go some lengths to clarify what you're seeking to do and when these things arise.

Hon. Mr. Meen: I might just say, Mr. Chairman, that I thank the member for Lakeshore for those views. That was the conclusion we had reached as well.

Mr. Lawlor: It just points up, Mr. Chairman, what a drastic job of drafting appeared in the previous situation. This latter-day con-

version to good draftsmanship is something that really should be given recognition. It is so rare.

Mr. M. Shulman (High Park): It was completely unintelligible.

Mr. Chairman: The member for Downsview.

Mr. Singer: Perhaps you could tell us what gave you the second thoughts other than greater clarification and more exactitude and all that sort of nonsense? Why were you able to bring in this very meagre sub (C) of 1 (1) in your original bill and find, on more sober consideration, that it required really four sub-sections to expand? What gave you the thought?

Hon. Mr. Meen: Perhaps a little bit of perspicacity; further reflection on the Act itself, Mr. Chairman. It's amazing what one can detect in any of these bills, particularly when they're drafted from scratch to use the colloquial. One sees on subsequent reflection that perhaps there may not have been a full delineation of the various problems which could arise in a section such as this where we're trying to deal with non-arms'-length transactions.

I must say when I looked at subclause (C) where we talked about dispositions with whom the transferor was not dealing at arms' length, it seemed to me to be adequate. Then it was pointed out to me: "What about when you join the local club and you take certain shares? What about the various cases where, in exchange for a parcel of land, you take certain shares in a corporation? How do we equate the value?"

There might then be some question as to whether you applied an alleged value—a book value or whatever it was—to the shares in order to determine what your consideration for the exchange of the land might be, just to use one illustration. It was clear we should expand upon it and my counsel, I think, have done an excellent job, as indicated by the member for Lakeshore, in redrafting subclause (C).

Mr. Singer: Mr. Chairman, what puzzles me is if they've done such an excellent job now, and presumably you had the same group before, why did they do such a poor job in the first instance? What puzzles me, insofar as this bill is concerned—we enunciated some of our concerns when you came to amend the title and those doubts still have not been cleared up—is why there was such a terrible job of draftsmanship done in the first instance? What sort of new thinking suddenly occurred to you between April 9 and May 9 that showed you a bit of light?

When you got around to seeing a bit of light in expanding the definition in the old sub (C) of (a) of 1 of (1), why didn't it occur to you that a very integral part of this Act was to fix the rate of taxation which was really going to be paid? What brought this new idea to you? Presumably you had the same advisers. Presumably you didn't consult with the outside world. You didn't consult with Ottawa; you didn't consult with any established accountancy firms. You haven't been able to quote to us a single opinion of a noted tax lawyer who practises in Ontario. What brought the new ideas to you?

Hon. Mr. Meen: Mr. Chairman, I happen to have had the benefit of probably the smartest tax lawyer in Ontario in the case of the head of our legal branch in this Ministry of Revenue. Nevertheless whenever one is pioneering as we are with this legislation, it's inevitable that there will be amendments. We've said that from the beginning. The Treasurer (Mr. White) said that on April 9 and he has said it since. I have repeated that on a number of occasions. I said it, in fact, during second reading of this bill, that we were bound to encounter all kinds of areas in which we could in some fashion or other strengthen this bill. You just can't come up with perfection the first time you take a run at a new piece of legislation.

Mr. Singer: Your bill is certainly far from it.

Hon. Mr. Meen: The hon. member for Downsview must surely know that. He has been through this. He has drafted agreements in the past. Whether he's drafted legislation ab initio the way our legal counsel has had to do in this case, I wouldn't know. But I can say this, that if he's had the kind of law practice I had for many years, he had to start from scratch with the preparation of of many agreements. He couldn't go to an O'Brien on conveyancing every time and fill out a form and start from scratch. He had to start from scratch himself, rather than use a precedent from some other learned tome. I would suggest to him that our counsel in this instance had to do just that. I think we can with every justification give him full marks for coming up, in the draft that I had for introduction on April 9, with as good a draft as it was.

Certainly we've found areas that we could improve on, and this was one of them. We've

found areas in which we really hadn't accounted for the problems that were made known to us, as for example, with builders which we'll get into that section in due course and, as for example, with respect to genuine investors in rental accommodation, and we'll get into that in due course. Those were areas that we really hadn't thought out as full as I would have liked to have. That's just one of those things when you don't have the chance to consult with counsel, tax advisers, with accountancy firms and with all the other people you might like to talk to when you're putting—

Mr. Singer: You don't have the chance? Why don't you?

Hon. Mr. Meen: Obviously, and the hon. member for Downsview fully knows that, when you are dealing with matters in the budget there's a very limited number of people with whom you can discuss these matters, and we were quite limited in the area in which we could discuss these things.

As was indicated as I mentioned by my colleague, the Treasurer, and I've said it too, we knew perfectly well in new areas like this we were going to have a lot of amendments. This is one in which an improvement became obvious to my people and to me; and so there it is. Once again, I repeat, as the hon. member for Lakeshore has expressed it rather well, it expands and expands well that area of non-arms'-length transactions.

Mr. Singer: Mr. Chairman, if the draftsman whom the minister praises so highly is the same person who suggested that you bring in an Act imposing a tax, the rate of which we don't know, then I share something less than your enthusiasm for him. Anyone who brings in a bill that relates to taxation and who can't tell us what the rate of tax is going to be, certainly hasn't done his job. It really isn't the draftsman's responsibility; it's the minister's responsibility for which he deserves the highest condemnation.

Insofar as getting outside advice goes, even accepting your rather feeble excuse about not being able to seek it in advance of April 9, you have still had a month since in which to seek it.

Hon. Mr. Grossman: Walter Gordon tried that once and got into trouble.

Mr. Singer: Well, all right.

Hon. Mr. Grossman: He sure did.

Mr. Singer: Maybe the minister who is now interjecting and the one who is trying to present this bill would have done far better if they'd sought some outside advice from time to time, and brought in some bills that are meaningful. I would like the hon. member for St. Andrew-St. Patrick (Mr. Grossman) to get up and tell us what kind of sense it makes to bring in a tax bill that doesn't tell us the rate of tax. The minister can't tell us the rate of tax.

Hon. Mr. Meen: Of course I can.

Mr. Singer: Maybe the member for St. Andrew-St. Patrick is smarter than the whole bunch and he can tell us. I would like to know why you haven't got an opinion for us in the month that has passed since the budget.

Hon. Mr. Grossman: Did you ask the minister?

Mr. Lawlor: He has been thinking about a different bill all the time.

Mr. Singer: Yes, a month has passed since the budget to clear up those problems. I would like to know why, when you brought in a bill on April 9, you weren't ready last Tuesday to tell us about these important changes that your very brilliant draftsman had dreamed up. I think the whole thing is a farce. I think you fumble from clause to clause. What we see tonight is a little improvement on what we saw earlier, but not much.

Mr. Chairman: The hon. member for Lakeshore.

Mr. Lawlor: Mr. Chairman, I think you have to be a little indulgent with us over here. After all, this particular legislation is a cause of severe irritation and aggravation. Place yourself salubriously in my shoes and the shoes of members of the opposition and commiserate with us.

The thing that you have been subjected to by your Treasurer is what we are, by reflex action, subjected to over here, only it is more excruciating. We haven't got the phalanx of people about us to tell us the nice interstices of the thing.

Secondly, you don't give half enough credit to the member for Downsview. I can tell you as a legislator or as a legal draftsman, his documents emerge pure and prime, pristine and glowing. It comes straight like a Minerva, glowing from the head of Jove. He doesn't go over them six times. They come out and they are done well. Singer doesn't fool around with things like that. He gets to the point.

Hon. Mr. Meen: Probably gets his junior to do it.

Mr. Lawlor: And with all the mollycoddle that we have to put up in this particular context, it just shows you, Mr. Chairman, what could be done.

If a minister can introduce 27 amendments overnight, so to speak, within 48 hours of introducing his bill, think if they had a week. When he tells us in his mock rational way that he's warned in advance, in second reading, that there will be innumerable, indefinite and ad infinitum amendments to it, we can well believe it.

He is starting off extremely well and I would expect that almost before the bill is dry and the ink is off it we will be inundated, and we will have to put up with the man all summer long, redrafting, re-organizing, changing the bill, changing its intent, putting a new title in here and there and by the time we are finished, the last product will scarcely resemble the first. That is my prognostication and my belief and I think we may well come to grips with your particular piece of affrontry right now in the course of this bill and in the particular clauses that we are facing throughout this evening.

I am going to ask you from time to time to tell me in simple English, if that doesn't trespass upon parliamentary privilege, just what certain clauses in this legislation mean. Let's get down so that at least the legal and accounting professions will have some glimmer of what you are trying to do.

Mr. Chairman: Does this motion carry?

Motion agreed to.

Mr. Chairman: Any comments, questions or amendments on the next section that goes into the rest of page 2 and page 3?

Mr. Lawlor: Page 3, Mr. Chairman, there is an amendment. You had better move the amendment, Mr. Minister.

Mr. Chairman: At the bottom of page 3, the hon. minister has an amendment.

Mr. Shulman: Amendment to what? Have we passed page 2? I would like to—

Mr. Chairman: Order, please. The hon. member, on page 2 it's—

Mr. Shulman: Is the amendment on page 2 or page 3?

Hon. Mr. Meen: Page 3, as I see it.

Mr. Chairman: The member for High Park.

Mr. Shulman: I want to ask you about this 10 per cent, which is inadequate. Would the minister care to comment on how he arrived at that figure?

Hon. Mr. Meen: Yes, I know, I see the section. I am just trying to find this in context. This is the section dealing with increasing the value allowable—and I am trying to use the simple language to which the hon. member for Lakeshore referred—an adjusted upward value of 10 per cent per annum as indicated here. No, I am sorry, the 10 per cent is not a cumulative figure. This is the net maintenance costs limitation. It's a maximum of 10 per cent and I suppose it's fair to say to the member for High Park that it may be treated by some as arbitrary. It's about the cost of maintenance of real estate, perhaps on the top side. We put that as a top limit; the cost of mortgage, taxes and what not in the real estate over a year should not exceed that.

However, in today's mortgage market, if one were to be carrying a mortgage that was large in comparison with the market value of the realty, we quite recognize that 10 per cent probably would be exceeded and therefore you would be running at that 10 per cent level. But it was a figure picked by the Ministry of Treasury, Economics and Intergovernmental Affairs as a fairly conservative allowance towards the costs that could be added in each year; non-accumulative, of course.

Mr. Shulman: Mr. Chairman, I hope the minister's federal confrères don't use that same figuring in their economic planning, because you surely must be aware that the rate of inflation is now higher than 10 per cent. What you are saying in effect—

Hon. Mr. Meen: We are not talking about inflation.

Hon. Mr. Grossman: That's about to be resolved in the next month or so.

Mr. Shulman: Yes, we are going to cure everything. We are talking about the accretion in value—

Hon. Mr. Meen: No.

Mr. Shulman: We are too. We most certainly are. The lesser of the figures in (A) or (B) is the amount that will be exempted from the tax, and the most that possibly can be allowed is 10 per cent per year.

Hon. Mr. Meen: Right.

Mr. Shulman: All right. Well, let's put it down in simple terms. If I buy a property for $1,000 this year, regardless of what my cost is in carrying it, the most I can sell it for next year, without paying tax, is $1,100. Are you with me?

Hon. Mr. Meen: No, Mr. Chairman, I'm not. That's not what we are talking about.

Mr. Shulman: Well, correct me if I'm wrong.

Hon. Mr. Meen: If I might just repeat to the hon. member for High Park, what we are talking about here is a top limit of 10 per cent under (A) but a lesser amount of the net maintenance cost incurred by the transferor with respect to the designated land, and there is another definition of maintenance cost. In no way whatever is that related to the cost-of-living index.

Mr. Shulman: Wait a minute. It says, (A) or (B), not an aggregation of the two.

Hon. Mr. Meen: That's correct.

Mr. Shulman: It's the maximum. So the most you can have is 10 per cent.

Hon. Mr. Meen: That's right.

Mr. Shulman: Okay. You are referring to the cost of carrying, are you not?

Hon. Mr. Meen: Yes, maintenance cost.

Mr. Shulman: All right. The cost of carrying is added in effect to the cost of your land.

Hon. Mr. Meen: Yes.

Mr. Shulman: Okay. Does the minister really think that 10 per cent is an adequate figure in this time of continued inflation?

Mr. Lawlor: Particularly when the cost of a mortgage is 11½ per cent.

Mr. Shulman: Where can you get an 11½ per cent mortgage today?

Hon. Mr. Meen: Well, if the member for High Park is asking me questions, I presume he would like me to try to answer them. What I'm saying is that if the mortgage were the full amount of the market value of the property—and most mortgages are running 10 per cent or more these days—then of course the 10 per cent would be the top limiting figure. But if a person has a $100,000 mortgage on a $200,000 parcel, then a 10 per cent mortgage is costing five per cent of the total market value of the property. He still has a cushion above that—

Mr. Singer: You could take a mortgage of 75 per cent or 90 per cent—

Hon. Mr. Meen: —and it would be that five per cent figure then, rather than 10 per cent. Although this was established by the Ministry of Treasury, Economics and Intergovernmental Affairs as to what they considered to be a reasonable figure for carrying charges across the board, in the colloquial, there may be cases where that 10 per cent may very well be a limiting factor. There may be other cases where it's well above the ceiling of the carrying costs.

Mr. Shulman: Mr. Chairman, let's try again. It doesn't matter whether the mortgage is 10 per cent or zero, you are going to have to pay the cost of that money, whether it's in the form of a mortgage or in any other form. If you buy a property today—let's come back to my $1,000; let's suppose there is a property you could buy for $1,000. Suppose you bought this building for $1,000; whether you have a mortgage on it for $950 or a mortgage on it for $5, the cost to you is $1,000, and the cost of that money goes on every year. Are you with me?

Hon. Mr. Meen: Yes.

Mr. Shulman: The cost of money today is not 10 per cent or 11 per cent, it's running now at about 12 or 13 per cent. By the end of this calendar year, I have no hesitation in predicting it will be over 15 per cent, regardless of who wins the election. What you should have done here, instead of putting an arbitrary figure as you have done, was put in an elastic figure tied in to the rate of inflation. Because you are just kidding yourself when you are deciding the size of the mortgage and saying, "Well, if we have a tiny mortgage, there is no cost." It costs the same thing anyway. It is just hidden in one case and obvious in the other.

Hon. Mr. Meen: Well, with all respect, Mr. Chairman, that's not really what this section is aimed at. You know, the market value of that land may not be related to what the owner had to pay for it. Therefore what we are getting at here is his carrying costs, the amount he is paying for taxes. We realize he may well have a mortgage on it for a part, but presumably not all, of the worth of the property.

Mr. Shulman: That's irrelevant.

Hon. Mr. Meen: I know, the member for High Park says it is irrelevant, because if there is any surplus it is equity, and that

equity could be out somewhere else earning him 10 or 12 or 15 per cent, he says.

Mr. Shulman: Exactly.

Hon. Mr. Meen: Well, if he wants to put his money out at usurious rates, that's fine, but as far as we are concerned—

Mr. Shulman: Holy smoke, you are going to be here a long, long time. Oh boy.

Mr. Lawlor: That's the first good thing you have said, it is pure usury.

Hon. Mr. Meen: I would just suggest to him that we are aiming at a reasonable figure for the carrying costs of real estate taking it by and large, be it vacant land, be it real estate just developed—

Mr. Singer: Who said it was reasonable? In today's market he doesn't know what he is talking about.

Hon. Mr. Meen: And we are talking about the maintenance costs—

Mr. Chairman: Order please.

Hon. Mr. Meen: If he wants to put his money into real estate and have it sitting there not earning him other money, not being productive, then he can be our guest, but that 10 per cent is the top limit.

Mr. Shulman: All right, let me ask the minister a question. Is there anywhere in this Act—

Hon. Mr. Meen: Why don't you speak to your friend?

An hon. member: Why don't you put that in your Act?

Mr. Shulman: Ready?

Hon. Mr. Meen: Sorry. Go ahead.

Mr. Shulman: Okay. I will abandon that point for the moment as you obviously don't understand it, but I will come back to that.

Is there anywhere in this Act that allows for the accretion due to inflation?

Hon. Mr. Meen: There is no more provision for that in this Act than there is in the capital gains legislation.

Mr. Shulman: All right. Then the only room for accretion without taxation is this stupid section, is that what you are saying?

Hon. Mr. Meen: No, in certain instances, of course, with respect to farm property there is an allowance, but again that's a lot of real estate being used for the production of food and so that is a specific case, and I don't think any members here will quarrel with that. But otherwise this Act is not aimed at any kind of escalation with respect to the cost of living index or otherwise.

Mr. Shulman: Well, if I may be so bold, did the minister overlook that little matter, or has he forgotten about inflation, or is he unaware of inflation?

Hon. Mr. Grossman: What's inflation?

Hon. Mr. Meen: No, we are fighting inflation.

Mr. Shulman: You are fighting inflation?

Mr. Singer: When did that start?

Hon. Mr. Grossman: Somebody has to do it, the people in Ottawa aren't doing it.

Hon. Mr. Meen: I think we have made that clear and in fact if Maurice Park and others can be listened to—and I hope the hon. member for High Park is listening to Maurice Park—he will recognize that maybe we're already having some beneficial effect with this legislation, although I don't pretend to take the entire credit with this Act and the Land Transfer Tax Act for the improvement of things.

Mr. Lawlor: That is very gracious of you.

Hon. Mr. Meen: But we are fighting it, so why should we admit that it is going to run at 10 or 12 or 15 per cent? What we are trying to do is keep the lid on—

Mr. Shulman: What you are trying to do is ignore it.

Hon. Mr. Meen: —and keep a lower figure on it, recognizing that in some instances it may run higher than that. But if you take the average investment, I think the hon. member for High Park would concede that it should not cost more than an average of 10 per cent per annum to carry that particular real estate investment. He lost income if he had the equity out in something else, be it interest payment on the part that is mortgage and taxes, and so on.

Mr. Shulman: The minister is perfectly right if he had made this speech 15 years ago, and perhaps he is reading an old speech, but surely he is not saying that with all seriousness—

Hon. Mr. Meen: It is there, it isn't mine.

Mr. Shulman: —that you can carry something on 10 per cent today when the cost of borrowing money is higher than 10 per cent? It just doesn't make sense. I expect more intelligence from you, I expect a little more thought from you.

But just a minute, I want to come back to another matter. You are ignoring the inflation, you are bringing this tax in. You can ignore it very well but it won't ignore us. What you are saying in effect because you are ignoring the inflation is that the man who buys a property today, if for whatever reason—illness or death, or whatever—he is forced to sell a year from now, if because of the natural course of inflation that has risen 10 per cent or 20 per cent or 50 per cent, you don't care, you are going to take your pound of flesh.

Hon. Mr. Meen: No, I am not saying that, Mr. Chairman.

Mr. Shulman: What are you saying?

Hon. Mr. Meen: This is one of the incentives—and I am surprised that the member for High Park hasn't recognized this—to get land on the market for some productive use in a way that the owner will be able to escape some kind of speculation tax. And if, indeed, values keep going up because he holds it off the market, then he is going to pay tax, and we aren't going to allow him any very substantial increase in the base price every year. We are going to make it a disincentive to him to hold it, so why should we put a top limit that was at the current borrowing level or the current rate of return? If the hon. member for High Park wants to put his millions into mortgage loans or whatever—

Mr. Shulman: I haven't got any mortgages at 15 per cent.

Hon. Mr. Meen: Yes, 12 or 15, and he thinks that we have set too high a level at 10 per cent. He is probably quite wrong because in fact we are aiming at below that level rather than above, as a further incentive to people not to hold on to unproductive real estate of this sort but to get it out onto the market.

Mr. Shulman: Does the minister not realize he is going to produce exactly the opposite result? Let me give you a concrete example of what your section does here.

I own a building. I own one building where I have my medical practice. You are going to make it impossible for me ever to sell that building. With no increase in the value of real estate whatsoever, because of inflation that building is going to be worth 15 per cent more dollars at the end of one year. I may want to go out of practice next year and sell that to another doctor, and there is no way I can do it because you'll tax me if I do it. I am in the same position as 100,000 other professional men in this province.

For goodness' sake, stop talking like you're in the 1930s and there's no inflation. You have to allow for inflation. If you don't, you're just going to freeze all real estate and the price is going to go through the roof because what it does mean is that when I do put that thing on the market, I'm going to have to charge so much more to make up for this stupid tax you've brought in.

Hon. Mr. Grossman: He doesn't make enough money in medicine.

Mr. Shulman: Will the minister reconsider? Surely, to the former Minister of Revenue, you must realize the flaw in this.

Hon. Mr. Grossman: It's a matter of opinion. You know, the hon. member figures he knows all about how money works, and nobody in the world will admit that 100 per cent. He thinks it will work that way, but it is otherwise.

Mr. Chairman: Is there any further discussion on this?

Mr. Shulman: I'm not through by many days yet. I've been trying to educate him. It's difficult, but I'm going to try, Mr. Chairman. You cannot consider the cost of carrying property as it was in the 1940s and 1950s as being applicable today. I think anyone in this House will tell you that. Anyone who has a home. Anyone who has a business. And you're supposed to be the people who are experts on business.

Surely, you must be aware that you can't carry things on 10 per cent, and you kid yourself when you figure the size of the mortgage. You just demean yourself when you say people are handing their money out at usurious rates at 12 per cent. Do you think the Toronto-Dominion Bank is practising usury? Do you think the Bank of Canada is practising usury? Is that what you think usury is today?

Hon. Mr. Grossman: Yes.

Mr. Shulman: You show yourselves so much out of touch with what is going on.

Hon. Mr. Grossman: Would the member for Ottawa Centre (Mr. Cassidy) like to

answer that for him? Answer the member, answer your colleague.

Mr. Shulman: Regardless of what my colleague thinks on financing—I defer to him in many fields—I will not defer in that field. The basic rate—not the rate that you and I can get, but the basic prime rate that banks charge one another—is around 10 per cent.

Hon. Mr. Grossman: Shame.

Mr. Shulman: This is not the result of usury. It's not the result of any political party and it won't be changed no matter who is elected. It's the result of inflation.

Hon. Mr. Grossman: Wait until Bob gets elected.

Mr. Shulman: Don't provoke me. Mr. Minister, you're making a gross error here. You've made a lot of errors this last few weeks. You amaze me. I've never seen a minister make so many errors, and the only reason I forgive you is that I suspect they aren't your errors. You've been set up as a straw man that we have to knock down and, by God, you're going to be knocked down as a result of this bill.

I came from the office of a lawyer today and he asked me to quote him in here and I'll mention him. He's Henry Ritterspoon, and he does a tremendous amount of real estate business. He said, "For God's sake, go into that House tonight and stop that idiot." He said he's stopped cold and doesn't know what to do. He said, "I had lunch today with a dozen different lawyers. Everybody is running around a different way. Nobody knows what this means. Nobody knows what to do. All real estate transactions have stopped, for all practical purposes. We have a lot more houses on the market at higher prices because they have to allow for the extra tax they think they're going to cost."

These are the real estate people who tell me to come to you, and you say: "No, no, no. My experts over there keep sending me the notes. They say, 'Don't worry. Don't worry, Art. It's going to be okay'."

It's not going to be okay. You've made a gross error in this section. And what bothers me is not committing errors. We expect that. What bothers me is that you won't reconsider. You can't put a flat arbitrary figure here, point one. Point two, I'm going to abandon you and I'm going to abandon your bill, because you're all going to sink together, the three of you. You cannot refuse to allow for the ravages of inflation, because if you do refuse you're going to produce a freeze on the entire land market in this province. Nobody will be willing to sell. That's what you're doing.

There's no use casting pearls before those who cannot understand them so I'll leave it at that point, Mr. Minister. But you will look back on this debate some months from now and say, "I wish I had thought of that." I predict that.

Mr. Chairman: Is there anything further on this subsection?

The member for Ottawa Centre.

Mr. M. Cassidy (Ottawa Centre): Yes, I have two or three questions, Mr. Chairman, that I want to put forward to the minister because I think that of all the sections of this bill, this is probably the one which distresses me most.

Mr. Chairman: May I just point out that we are considering page 3?

Mr. Cassidy: That's correct. I'm on page 3 and I'm on exactly the same subsection as was being referred to by the member for High Park.

I want to ask the minister whether he considers there is equitable treatment between different circumstances for a property holder with this particular 10 per cent rule.

Hon. Mr. Meen: Yes, I think so. We've got three different types.

We have the kind of investment in which land is not left in, say, a farming state and on which there would be certain maintenance costs. The transferor would have these minimal allowances of 10 per cent.

We have farming properties on which a further 10 per cent per annum is allowable if the property is kept in farming, as the members will have noticed.

And we have the investment end of real estate, investment for housing accommodation—perhaps it is fair to say there are other areas as well—in which 10 per cent on the carrying costs of, say, a duplex or a fourplex or whatever is probably not unrealistic despite what the member for High Park has had to say about it. I don't think it's terribly generous but I don't think it's all that unrealistically low either. The treatment in that sense is the same for all.

Perhaps I might take this opportunity to mention that if the member for High Park is concerned about his office building, he might be reminded that commercial properties are free of the speculation tax and so he would not have to—

Mr. Shulman: It is not commercial.

Hon. Mr. Grossman: Do you mean you are operating against the zoning bylaws?

Hon. Mr. Meen: —vary the amount of his tax in order to recoup his costs.

Mr. Shulman: It is not a commercial building.

Hon. Mr. Meens: He's free to dispose of it.

Mr. Lawlor: Don't you sell smoke bombs out of there?

Hon. Mr. Meen: I think, as closely as we could get, Mr. Chairman, to the various types of investment, recognizing that there are different types and recognizing, too, that there is no real way in which you can identify a speculator—a speculator to one person is an investor to another; it's a subjective test and we've had to come at this from a different direction rather than try to identify and spell out just what constitutes a speculator and therefore what constitutes an investor—I think, recognizing there are these various types of investors, be they speculators or genuine investors, the treatment across the board as to carrying costs is not unrealistic although it may not be equitable to the same degree.

We are trying to levy this with an even hand. Recognizing that you treat the farmer differently from the way you treat the fellow who gets 100 acres and uses it for weekends or from the fellow who invests genuinely in residential accommodation, the aspect of maintenance costs across the board is probably quite realistic.

Mr. Cassidy: Mr. Chairman, I want to suggest that the clause is inequitable. If you start to look at cases you are quite possibly compelled to the conclusion that the whole 10 per cent idea ought to be abandoned. The government, I think, has suggested that about three of four per cent of the transactions taking place in the province are speculative. The Liberal Party suggests that maybe one per cent is speculative. As I think the minister knows, I don't want to debate it, we would consider a much greater percentage of the transactions taking place in the province are speculative.

Thanks to the housing policies of the Minister of Housing (Mr. Handleman) and of the government, the fellow who buys a house in Toronto or Ottawa or Hamilton today simply for himself and his family is forced to take part in a kind of speculative activity. Once he has hold of the house he has an investment which is rising in value an awful lot faster than, say, even the rate of inflation at the present time.

However, let me talk about the equity of this 10 per cent rule. If the minister can bear with me on two or three examples—

Mr. J. A. Renwick (Riverdale): I can bear with you.

Mr. Cassidy: Thank you. Let's take the example, first, of some person who wholly owns a property which cost $20,000 a few years ago and is now worth $100,000, for the sake of argument. It's been held in the family for some time. The earnings from the property—it's an investment property; it's this apocryphal fourplex that everybody is talking about—more than cover the expenses and therefore they have no net maintenance cost. Is that correct?

Hon. Mr. Meen: That could be.

Mr. Cassidy: For the sake of argument, if the property is rising in value by 10 per cent between April 9 of this year and April 9 the next year and they sell it, they then become liable for tax on the 50 per cent rate on $10,000, plus the additional taxes that are imposed on whatever is left; so they have to pay $6,000 or $7,000 or $8,000 worth of tax on a $10,000 profit, between the fair market value this year a month ago and the fair market value a year hence.

Hon. Mr. Meen: If I could just interject, that is true if the hon. member is talking about the residential accommodation investor who only holds for one year.

Mr. Cassidy: Yes.

Hon. Mr. Meen: But the hon. member will have noted my amendment. We picked a rather arbitrary figure perhaps of three years to clearly identify the genuine investor in housing rental accommodation.

Mr. Renwick: They are really "genuine." How do you spell genuine investor?

Hon. Mr. Meen: If he holds for three years then he takes off 15 per cent abatement of the 50 per cent, and now it is 35. So he does get some improvement. But what the hon. member for Ottawa Centre says is true if he talks in terms of holding the property from now until the next year and again for the next three years. By holding for three years and one day, he will have accumulated 90 per cent abatement on the 50 per cent tax.

Mr. Cassidy: Is the three years backdated, if the property has been held for seven or eight years?

Hon. Mr. Meen: No, it is not, Mr. Chairman. The reason for that is that we are not going back to tax gains. I know the hon. member suggested that we should be doing that, that we should be taxing gains back before 1974.

Mr. Cassidy: Oct. 21, 1971 was the date.

Hon. Mr. Meen: That raises the question of do you go back to 1492, to cite an extreme case. We are not. We are relating it to present-day situations and mortgages that were placed and so on and the contractual obligations entered into by people prior to April 9 for things that we considered we shouldn't tamper with and which we would inevitably do if we were to relate back to an earlier date.

Having done that, then I felt that it was not appropriate to relate the ownership term either to a date prior to April 9, 1974, whether it be an apartment investor, a fourplex investor or a farmer who has held his farm in farming for some years. I think if the philosophy is right for any one of these illustrations or examples, it is right for them all. Therefore, we don't go back.

Mr. Cassidy: I'm not seeking to be provocative. I disagree with a lot of the elements in the tax, and also because of the kind of attitude that people have; they hear that there is a 50 per cent tax on certain speculative values. As the minister knows, there will tend to be an overreaction by some people who say we do not look at the fact that the tax is perhaps only one or two per cent of the total amount that they will receive from the sale of the property.

Point one is that he may be leading to a drying up of the normal flow of investment properties on to the market for a period of three years and a day until that exemption begins to apply. Point two, if I can come back to the example that I was using of an investment property worth, say $100,000 which comes on to the market in a year's time, if it is wholly owned and if the maintenance costs are no more than the earnings so that there is no net maintenance cost and there is a $10,000 profit at the end of the year and there was no mortgage—that is case 1—then there is a $5,000 tax.

Let us suppose for the sake or argument that on April 10, 1974 our—

Hon. Mr. Meen: Excuse me, it is not quite so. Remember there are taxes and other things that are chargeable against them. It is not quite so, but I recognize that the hon. member is essentially correct.

Mr. Cassidy: Let's suppose that a hypothetical investor is watching this debate and watching very closely the advice of the member for High Park and myself. The thing for him to do in order to avoid that $10,000 worth of tax will be to find somebody who will give him a mortgage on the property for, say, 70 per cent or 80 per cent of the value at a rate of 12 per cent or 13 per cent.

At the end of the year, when he intends to sell, he has accrued a liability and maintenance cost equal to about 10 per cent of the value of the whole property. At that point, then, he simply pays the taxes he would have paid before this tax ever came into effect. But he will be liable to no land speculation tax at all.

Does the minister follow me as far as that goes?

Hon. Mr. Meen: Yes, I do indeed, and I think also he would be liable for fraud and a few other things—what's the word I want? —a less than bona fide mortgage loan in which he was in league with a phoney lender in order to generate a phoney expense.

We recognize that there are other ways to check out the legitimate operator and whether or not it is a legitimate mortgage.

Mr. Cassidy: Okay.

Hon. Mr. Meen: And I see the hon. member for High Park is smiling and shaking his head like mad. I guess he has thought up a dozen ways in which to make a phoney deal look straight, I don't know.

Mr. Shulman: On a point of privilege and in view of that ridiculous comment, I was shaking my head at the foolish thinking of the minister.

Mr. Renwick: That's an inflammatory remark. If you want to get this bill through you had better—

Mr. Shulman: He is not going to get this bill through this year, at this rate. On a point of privilege, Mr. Chairman, I was shaking my head at his foolishness. You don't need a phoney deal. It is so obvious that you just take a legitimate deal and a legitimate mortgage. This is the point my colleague was making. You are discouraging thrift. Anyone who pays a mortgage off is out of his head.

Hon. Mr. Meen: If that is the case, if it's thoroughly legitimate, then, of course, he's paying the money out—

Mr. Shulman: Don't you see what you are doing?

Mr. Cassidy: Okay, Mr. Chairman, as the minister says, if it is designed to defraud the provincial tax collector, then there may be something in the Act—

Hon. Mr. Meen: —or the federal income tax people, too—

Mr. Cassidy: As far as the federal people are concerned, if a fellow wants to take out a non-arms'-length mortgage from his wife or a nephew, or somebody else with whom he is in a business partnership, this is perfectly legitimate. But, at any rate, let's assume that he goes to a legitimate mortgage investor and borrows the money on mortgage at a rate of around 12 per cent against this particular property.

There is nothing to stop him, since he owns the property outright, taking the proceeds of that mortgage loan and turning around and investing it further somewhere else.

Hon. Mr. Meen: No, not at all.

Mr. Cassidy: The proceeds from that investment, however, do not have to be credited against this particular property insofar as the terms of the Act stand. Is that correct?

Hon. Mr. Meen: Yes, I think that is correct, Mr. Chairman. And I might just observe that we are not trying to stop that kind of thing either. There are people who are financing deals and their own programme of investment based on their present equity in securities. They would be quite entitled to place a mortgage loan on their property, if they wished, and to use the proceeds of that loan at whatever per cent—10 or 12, or whatever—to go on and perhaps put the down payment on another piece of rental accommodation. We are not quarrelling with that at all. That is just one of the reasons for having a top limit of 10 per cent. If we raised that top limit, as I think of this now, we would play into the hands of the speculators because they would be able to put even more mortgage money out based on the same security.

I think what most lenders will do, and what most investors in this kind of security will do, is put on a mortgage, the interest rate on which, together with their carrying cost, would come up to about the 10 per cent level.

On this basis, if we raised that 10 per cent level, we would have them placing even larger mortgages, presumably legitimate and not phoney or colourful in any way. And they would then go on and use that money to finance another transaction—I am not suggesting it has to be a vendor's mortgage back in every case—simply to make it a legitimate charge.

Mr. Cassidy: Okay, as the minister says, there will be an incentive there for people to buy heavily mortgaged property. If I can follow the argument through a bit further—in fact, if you started out with $100,000 worth of property which is wholly owned, in order to legitimately avoid this tax to the maximum extent feasible, what you would seek to do would be to stretch your equity as far as possible, and to have your equity as highly levered as possible. In other words, if, in fact, there are 75 per cent mortgages available, you would seek to own $400,000 worth of property—with your original equity of $100,000.

Now, in other words, if a legitimate widow, for example, wants to avoid this tax, all she needs to do is go out and buy three times the amount of property that she has right now and make sure that the whole lot is heavily mortgaged. But the minister knows very well what will happen if a lot of investors decide to do that, or speculators, or whatever you want to call them. You will get more money chasing property and you will get more investors or speculators chasing mortgage financing, because the effect of this tax situation is that an 11 or 12 per cent mortgage is to them quite possibly almost cost-free. There is a real inequity that is taking place here between property which is wholly owned and without financing, and property which is heavily mortgaged and therefore becomes liable to less of this particular tax.

Hon. Mr. Meen: Mr. Chairman, the hon. member may be right, but it is only cost-free if there is a continual increase in the appreciation at that rate or higher, so that he is getting the full credit for the increase in the base rate.

Mr. Cassidy: Okay, but my point is that because the optimum situation for that particular individual becomes a situation where they have the maximum leverage from their equity, you will get a number of individuals who are, rather than trying to get out of the speculative market, seeking to get further into it. This is because they find that in tax

terms they can do better that way than they can with their existing property.

Hon. Mr. Meen: Well, that might be but there aren't many like that.

Mr. Cassidy: That incentive exists already, but it has not reduced. If anything, it has increased.

Hon. Mr. Meen: I am not sure that that is the case. I can see a good many incentives one way and certainly some disincentives. Just because there may be some minor tax advantage to running your property highly mortgaged so that you have got high expenses and therefore have your capital out somewhere else, it doesn't strike me as being necessarily a great incentive to hold on to these properties and to have them running that way to achieve the maximum of 10 per cent. Remember, it's still money out of your pocket in the long run.

Mr. Cassidy: Well, the point that I'm making, though, is that it's not a minor tax advantage we are talking about. In relative terms, it is quite a substantial advantage that I, because of a way that I manage my affairs, can avoid on a $100,000 property, a tax incidence of $5,000 a year. This is 50 per cent of a $10,000 appreciation in value per annum.

One assumes that the way the government is running things, that this kind of appreciation in value is going to continue. I want to point out to the minister, as well, that there is nothing in here to stop what one might call co-operative bidding-up of values in order to increase the impact of this particular clause. The minister may recall that one or two people—I think I may have said it myself—said that at 10 per cent a year government is condoning the doubling in property value every seven years, because of the compound interest factor. And then somebody from the government side came back and replied no, it's 10 per cent simple, not 10 per cent compound.

Hon. Mr. Meen: I don't know who said it. Is the hon. member speaking of the farm credit?

Mr. Cassidy: No, I am talking about the 10 per cent in subclause (i)(v).

Hon. Mr. Meen: Well, that is simple. That's simple interest.

Mr. Cassidy: It's simple, yes.

An hon. member: It really is simple.

Hon. Mr. Meen: Now, if that is the top limit, and it could well be less, you see—

Mr. Cassidy: Okay, it could well be less. Certainly on raw land, for example, where there is no offsetting income it's simple. Ten per cent is presumably the amount that is going to be charged. People will mortgage their property fairly heavily in order to get the maximum advantage, and, if nothing else, they will simply lend the money to each other. Does the minister disagree with that?

Hon. Mr. Meen: I think I'd ask you to say that again. I was reading a note here—

Mr. Cassidy: Okay, people speculating in raw land will tend, if nothing else, to lend money to each other in order to minimize their tax liability under this speculative gains tax.

Hon. Mr. Meen: Well, I am not sure that that accomplishes anything. I think that's why it went by me the first time. What's accomplished by A lending money to B and B lending money to A?

Mr. Cassidy: I don't want to get into it in a big way, but people on that side of the House know a lot more about these things than I do, or at least they practise them. But, for the sake of argument, suppose that somebody has half a million dollars' worth of property and doesn't want to lever it up into a couple of million dollars. He has half a million dollars' worth of development land, or land with development potential, on the edge of town in Metro Toronto or some other city in the province, which he wholly owns, and it was worth half a million dollars in April of 1974. It's worth his while to find a loan of $400,000 on the value of that property, and if he can't do anything else with it, put that $400,000 in deposit certificates of the Bank of Montreal for 9½ or 10 per cent.

Interjection by an hon. member.

Mr. Cassidy: The net interest cost to him is, maybe, a two per cent differential but the saving to him is the tax saving on the 10 per cent appreciation a year.

Hon. Mr. Meen: The member, I think, is still disregarding the fact that the interest paid to the other party would be taxable in the other party's hands.

Mr. Cassidy: Okay.

Hon. Mr. Meen: If you are having a cross-exchange of mortgage loans, which I thought was what the hon. member was talking about, A to B and B to A, of course the moneys paid may well be a credit to A when he pays the money to B. It may well be a credit to

him to exalt by a limit of 10 per cent the base price of his real estate. But on the other hand the money he has paid over to B is going to be taxable in B's hands—

Mr. Renwick: Or White Acre.

Hon. Mr. Meen: —at normal income tax rates. If B is lending money to A—

Mr. P. G. Givens (York-Forest Hill): He said he had no experience.

Hon. Mr. Meen: —I think we've got the kind of situation—I think the hypothetical case is really without any practicality.

Mr. Cassidy: Okay. If the money is channelled through a legitimate financial institution, for example, it's fairly clear from my understanding of the Income Tax Act that if you borrow money to earn money, the cost of the interest required to earn the interest is a deductible expense.

Hon. Mr. Meen: Yes. If they can demonstrate the use to which the money was put, I think in some circumstances that is correct.

Mr. Cassidy: Okay.

Hon. Mr. Meen: If they can show they made some money from the loan perhaps it is chargeable. That gets to be rather complicated arithmetic in a case where you are talking about something as elementary as the ownership of land.

Mr. Cassidy: Okay, but if you have a three or four-sided circle in which the money goes around it can be a device to simply and legitimately evade this particular tax.

The other point is that the 10 per cent simple per year appreciation in the value of speculative land on the edge of town could be increased to 12, 14 or 16 per cent over time in a very simple manner and in this way. After one year, to take an example, the $100,000 worth of property is sold to the fellow down the street for $110.000.

At that point, the allowable expense is not $10,000 a year, it's $11,000. After a year or two, it's sold to sombody else for $121,000 and then for $133,000 and then for $146,000 and so on. That 10 per cent simple, in effect, can be made into 10 per cent compound and the only restraint on it is the level of brokerage fees, if they apply, and the land transfer tax.

Has the minister made any allowance for that?

Hon. Mr. Meen: Every time one of those transactions takes place, if it's arm's length there's the 50 per cent tax on the increment of $10,000. I don't see that anybody is going to be very hard-pressed there—I should say I don't think anybody is going to be really promoting that kind of transaction because he is going to be losing half his profit in tax right off the bat.

Mr. Renwick: No, he will make it up in—

Hon. Mr. Meen: I don't think that's as attractive an arrangement as the member would make it sound.

Mr. Cassidy: No, the point is that if there is a net maintenance cost of 10 per cent of the acquisition cost of the property, the next year it's 11 per cent and the next year it's 12 per cent of that original price. That again is permissible under this particular formula if the property is mortgaged all the way through the piece. That's not an unrealistic kind of hypothetical kind of example.

I know what we are doing is writing a primer for people to evade or avoid this particular tax but I've got to say the whole thing disturbs me greatly. It is so easy for somebody to avoid that even I, without tax experience, can put on the record a number of means by which the tax can be quite legitimately and legally avoided. What's happening, because of the loopholes built in—and this is the first of many—is that the tax will simply channel speculative activities into certain patterns and forms designed to minimize the tax liability.

Mr. Renwick: And maximize the gain.

Mr. Cassidy: And maximize the gain. That's as old as time began but the minister has not got a tax which is effective if, by other means, people can simply do what they were doing before and continue to take substantial profits.

Hon. Mr. Meen: Mr. Chairman, I think what the member is talking about is people doing precisely what they have been doing up to now—rolling one deal over another and building a $100,000 farm to a $200,000 to a $400,000 to a $750,000 and to a $1 million farm; or that kind of thing. The only difference is that at least under this arrangement, he's doing it under the guise of just being able to increase the base rate so that you can charge up more against the basic cost of carrying a mortgage on the thing. I think that what he's disregarding is that at least a half of that rollover is being derived as tax then for the benefit of the people of Ontario by this kind of action.

Mr. Cassidy: But the point is, though, that the Act says in effect that land and property will be allowed to double in value at least once every 10 years, and possibly more frequently. Therefore, the aims that the minister talked about, to stabilize housing and land prices in the province, clearly would not then be maintained.

Hon. Mr. Meen: Oh, I think so, because we reduce the incentive to this turnover by about 50 per cent. They're only making half as much. Do I take it that the hon. member for Ottawa Centre is really suggesting that this 10 per cent figure is too high?

Mr. Cassidy: Yes.

Hon. Mr. Meen: Yes. I was just wondering, because your colleague from High Park says it's too low.

Mr. Shulman: It shouldn't be fixed.

Mr. Cassidy: We looked at it from different ends of the spectrum.

Hon. Mr. Meen: I think so and I hope so, because we're the government and we're trying to hit some happy medium and I think we've found it, thanks to you two gentlemen. I think I can see the opposite sides of this picture clearly, and I think that what we're coming in on is some modest figure that is a disincentive to the speculator to put in too large an amount. And, in fact, it's a disincentive to the speculator who buys a parcel, mortgages it to the hilt and then goes out and buys another one with the proceeds and can then multiply that up and roll it over time and time again.

Mr. Cassidy: No, it's an incentive to do that.

Hon. Mr. Meen: No, it's not.

Mr. Cassidy: Yes. We've just been through that.

Hon. Mr. Meen: Because if your colleague from High Park is correct, and I think he is, that mortgage rates are running well above 10 per cent on good security, the speculator is going to be paying a good deal more than 10 per cent for his mortgage financing on that property. And if he has financed it to a very substantial part—and the hon. member for Ottawa Centre himself talked about three-quarters; and I don't think that's disproportionate, except if you try to do that on vacant land you'll probably have some—but, talking in terms of residential accommodation, it probably wouldn't be out of the way to find 75 per cent financing. Subject to that, you're getting an interest rate that's running well above the 10 per cent figure to which you make reference in this section. Therefore, I think that's a disincentive to the speculator to get into that kind of racket.

Mr. Cassidy: If it's raw land that is certain—

Mr. R. F. Nixon: Mr. Chairman, has the NDP decided whether the 10 per cent is a disincentive or an incentive?

Mr. Cassidy: You go ahead. I've had a turn.

Mr. R. F. Nixon: I don't know how long you want to continue this. I doubt very much if either one of you is going to win. Is it settled that it's an incentive or a disincentive?

Hon. Mr. Meen: I think we have different views. In my view it is a disincentive to the speculator.

Mr. Cassidy: He's going to profit from speculation; that's what the government intends to do.

Mr. R. F. Nixon: All right. Like the hon. member for High Park, who is interested in his doctor's offices on Roncesvalles—right?

Mr. Renwick: Roncesvalles, Alhambra and Sorauren were battlefields in the Peninsular Wars.

Mr. R. F. Nixon: Yes, well, I'm thinking about that nice little package of doctors' offices, with the drug store in the basement, up on one of the streets up in—

Mr. Renwick: Roncesvalles.

Mr. R. F. Nixon: That's it. So while we're talking about conflict of interest, I want to let you in on something, Mr. Chairman, and that is, I own some farmland. And since I had a bona fide offer for that farmland from the hon. member for Riverdale just a moment ago, in one of his more lucid moments, I really think that we should look for a moment at the provisions of sub-section (v) on page 3.

Mr. Shulman: Wait, we're not through page 2 yet.

Mr. R. F. Nixon: Are you doing this by page or by section?

Mr. Chairman: Well, it was so hard to call by numbers and sections and subsections and clauses and subclauses, it was easier to do it page by page.

Mr. Shulman: Paint by numbers.

An hon. member: I think a little change in pace would be good anyway.

Mr. Chairman: Is there something further on this 10 per cent bit on page 3?

Mr. Shulman: I'm still on the 10 per cent bit. I haven't given up yet.

Mr. Chairman, just so the apparent conflict over here can be resolved, I was not suggesting we use a specific higher figure, because I wouldn't know what figure to suggest. What I was suggesting is that none of us can look into the coming months and tell how bad the inflation is going to be, and you should have a floating figure tied to the current inflation rate.

Mr. R. F. Nixon: You did. And you said it was going to be 16 per cent by the end of this year.

Mr. Shulman: My prediction.

Mr. R. F. Nixon: Well, don't say nobody can do it.

Mr. Shulman: That's my prediction. I may be out by one per cent! The point is, with a fixed figure—but I want to go to a different point entirely.

Mr. R. F. Nixon: Well, you invest in grain futures so it won't bother you. You should be able to pay your bills.

Mr. Lawlor: Particularly if the Liberals are re-elected.

Mr. Shulman: The other point is, have you given any consideration to the inflationary effect of this section? I'm sure you must be aware that there are many properties through the province which have no mortgage, which are bought outright. But anyone in the future would be a very foolish man not to mortgage his property. I hope you realize that people who invest are not particularly stupid. They are probably just as bright as the minister and the other people on that side who brought in this bill.

Hon. Mr. Meen: That sounds rather flattering.

Mr. Shulman: It really wasn't meant that way. It will be very obvious, if and when you force this thing through, that anyone who has land that is owned outright is a damned fool if he doesn't put a mortgage on it. In effect, he can get that mortgage money at no cost. By raising his costs up to the 10 per cent he will save sufficiently so that he can, in effect, borrow money and use it for other purposes which will, in effect, cost him nothing.

The inflationary effect of this boggles my mind, if everybody suddenly wakes up to what you have done here—which is to say that it is not economic to use thrift any more and pay off mortgages, and that it is not economic any more to own land outright but it is economic to borrow money and use it anywhere else.

Mr. Cassidy: That's right. That's right.

Mr. Shulman: Do you realize what that means to the inflation in this province? This is something that I am sure you haven't considered or you wouldn't have brought this section in. It is a bastard section. You are not going to be able to sleep with it.

Mr. R. F. Nixon: There is a mixed metaphor.

Mr. Shulman: That's a mixed metaphor. Have you given any thought to that problem which must now devolve upon you?

Hon. Mr. Meen: Yes, I can say that we have. We simply are not prepared at this time to have a provision in here that is related to the cost-of-living index or to inflation in general. We have these provisions as to costs and we have the other allowances for adjustment in the base price, but we are not tying anything in here to the cost-of-living index.

Mr. Shulman: May I ask the minister a question? Does the minister have any idea, a ball-park figure, of the gross value of property that would be affected by this bill which is not mortgaged in the province at this time? Would a billion dollars be a fair figure or would it be higher?

Hon. Mr. Meen: Mr. Chairman, I have no idea.

Mr. Shulman: Well, just let us for the sake of argument, and I stand to be corrected, take a figure of a billion dollars. I don't suppose I would be out very much.

Mr. Renwick: Not far.

Hon. Mr. Meen: I think, if anything, the hon. member would be away low.

Mr. Shulman: All right. I am saying a billion and being very modest.

Interjection by an hon. member.

Mr. Cassidy: Try 10—

Mr. Shulman: All right. I am taking a very modest figure, but let's suppose that there is a billion dollars' worth of property which is paid for outright and is owned across the province, and it suddenly becomes uneconomic to hold it outright. So the people then borrow money from the various mortgage companies in the United States or elsewhere, and all of that extra money suddenly comes into our economy. Have you any idea what the inflationary effect of that amount of money will be? Have you given any thought to this at all?

Hon. Mr. Meen: No, it doesn't happen to be one of my responsibilities and I will say quite candidly—

Mr. Cassidy: What are you doing with the bill then? You are leading the bill through the House.

An hon. member: Oh, boy!

Hon. Mr. Meen: We are talking about a section in the Act here limiting the maintenance costs of a piece of property, that is all.

Mr. Shulman: You must consider the implications.

Hon. Mr. Meen: Now, if the economists in the province are concerned about this we might ask the Treasurer what he thinks might happen.

Mr. Renwick: Where is he? Let's get him in.

Mr. Cassidy: Let's adjourn the House and get him in.

Hon. Mr. Meen: I have no idea and neither does the hon. member for High Park have any idea—

Mr. Shulman: I am sorry, I can't hear you.

Hon. Mr. Meen: The hon. member for High Park admits, just as I do, that he doesn't know, nor do I know what the amount of real estate in Ontario might be that it is encumbrance-free right now. But I would hesitate to suggest to him that just because there is an enormous amount that is mortgage-free the owners are going to suddenly rush out—

Mr. Shulman: For the sake of 10 per cent?

Hon. Mr. Meen: —and load them up with mortgages. What are they going to do with the money?

Mr. Shulman: Ah!

Hon. Mr. Meen: Indeed, where are they going to get the money?

Mr. Cassidy: They will drive interest rates up.

Mr. Shulman: Well, I can answer where they are going to get it very easily.

Hon. Mr. Meen: As soon as they get it they are up to the top limit of 10 per cent again, which maybe bears out what the hon. member for Ottawa Centre was suggesting—namely, his idea is that 10 per cent is too high.

Mr. Shulman: To answer your question in turn, where they are going to get the money is from United States mortgage companies which are quite happy to lend at 13 per cent.

Interjection by an hon. member.

Mr. Shulman: No, not necessarily.

Mr. R. F. Nixon: Way too high or too low?

Mr. Shulman: Which? The figure of 10 per cent?

An hon. member: Yes, how would the hon. member like to tell us?

Mr. Shulman: It has to be an elastic figure. You have to put in a figure saying the amount will depend on the rate of inflation in the previous year.

Hon. Mr. Meen: Starting at what?

Mr. Givens: You won't get a mortgage of 13 per cent anywhere in the world today.

Mr. Shulman: It doesn't matter if it is 30 per cent. They will take enough mortgages to push their costs up to the 10 per cent because they would be crazy if they didn't. They can reloan that in Switzerland or anywhere else.

Mr. Givens: If they have to pay 18 per cent to get 10 per cent how do they make money?

Mr. Shulman: If you borrow money at 18 per cent on a mortgage today you will still get your 10 per cent advantage because you can lend the money out.

Interjections by hon. members.

Mr. Shulman: You now have the money in your hands, which you can then lend out again anywhere at the same percentage. Are you with me?

Mr. Givens: Yes.

Mr. Shulman: Okay, to come to another point. I am a little worried because you say you haven't considered the implications of the possible extra infusion of money into the province. You say that is somebody else's province.

Mr. Cassidy: It's you who have the experts on this thing and they should give you the answers.

Mr. Shulman: But let me ask you this, since you say it isn't your province, has somebody given that some consideration, or are you aware? You say that's not in your province, has anyone in the ministry—I presume you have an economist over there somewhere—have any of your economists, if you have any economists, given this particular problem any consideration?

Hon. Mr. Meen: No, Mr. Chairman. I do not have any economists in my ministry. There are a number of economists, of course, and highly qualified economists, in the Ministry of Treasury, Economics and Intergovernmental Affairs.

Mr. Renwick: Where are they? Where's the minister?

Hon. Mr. Meen: I personally have no information on that particular point on this bill.

Mr. Shulman: These gentlemen you've got lined up—for shooting purposes, I presume—under there, are any of them economists?

Hon. Mr. Meen: No.

Mr. Shulman: No?

Hon. Mr. Grossman: Why should they be?

Mr. Shulman: Mr. Chairman, it sort of boggles my mind that the government can bring in a bill like this, which is going to affect the economy in such a tremendous way, and you don't even have a single economist to advise you what's going to happen. It is a little irresponsible, if I can be so bold.

Interjection by an hon. member.

Mr. Shulman: Pardon?

Interjection by an hon. member.

Hon. Mr. Meen: They're like doctors, they can never agree.

Mr. Shulman: I don't care if they can't agree. At least I would hope you would have one economist to give some advice. The implications—

Mr. Renwick: The hon. member for St. Andrew-St. Patrick is equally upset with us about the bill.

Mr. Shulman. The implications of the various sections are horrendous as far as the economy goes, and you haven't got a single economist to advise you. All right. That really boggles me. But let's go on to another point.

Hon. Mr. Meen: It doesn't take much.

Mr. Renwick: Oh, don't leave that one.

Mr. Shulman: You like that one?

Mr. Renwick: Yes.

Mr. Shulman: My colleague is quite right. It is a very, very serious matter. There are tremendous implications finance-wise. It isn't enough for you just to consider the tax effect or the effect on the price on land because there are wide ripples that will come out of this. In the mortgage market there's going to be a tremendously increased demand for mortgage money which, in effect, means that the price of mortgage for the ordinary guy who wants to buy a house is going to go up, because there's one pool and as the pressure and the demand increases it's going to rise. I don't think there'll be any question about that.

Mr. Renwick: No question about that.

Mr. Shulman: I'm sure the hon. member for York-Forest Hill will agree with me there.

Mr. Renwick: If I had to coin a phrase, I would say you were penny wise and pound foolish.

Hon. Mr. Meen: Say, that's a good one.

Mr. Givens: You're lucky you're out of this. This will go down in history as the Meen's test.

Mr. Shulman: This is going to go down in history as the boondoggle bill, because you've no idea where you're heading. You're really going into uncharted sea and you haven't even gone to the trouble of getting proper expert advice.

Mr. Renwick: And you haven't even got an inflatable jacket.

Mr. W. Hodgson (York North): Can you sail the boat, Morty?

Mr. Shulman: Well, I'm a pretty amateur economist, but I personally don't think it's sailable.

Hon. Mr. Grossman: That's not what your book said.

Hon. Mr. Meen: You're not kidding.

Mr. Shulman: But I would hope you would hire a professional economist and pay him so that we'll be able to blame someone other than you afterwards. I know what you'll do, you'll retire from politics and then we're going to say, "Who are we going to blame? That fellow who lives out in—"

Mr. Renwick: Allan Grossman's been down south investing all his money in foreign real estate.

Hon. Mr. Grossman: That's the thing. You're not kidding.

Mr. Shulman: I want to ask you a question.

Hon. Mr. Meen: Oh.

Mr. Shulman: Another question, on another subject. I want to come back to what my colleague was discussing about the three-year rule.

Mr. R. F. Nixon: Buying property in Florida? Does that come under this subsection?

Hon. Mr. Meen: That's not under this subsection. Are we moving on?

Mr. Shulman: No, we're not.

Mr. Renwick: Oh, no.

Mr. Shulman: Does the Leader of the Opposition want to take over on this subsection?

Mr. Givens: Sit down.

Mr. Chairman: The hon. Leader of the Opposition.

Mr. R. F. Nixon: Come on, this is much too interesting to leave like that.

Mr. Cassidy: I just wanted to ask the minister—

Mr. Renwick: Well, could I—on a point of order?

Mr. Cassidy: On a point of order, all right.

Mr. Renwick: I was a little late getting back. What section are we on?

Mr. Chairman: The 10 per cent.

Mr. R. D. Kennedy (Peel South): The title is settled.

Interjections by hon. members.

Mr. Renwick: With unanimous consent, could we revert to the title of the bill?

Interjections by hon. members.

Hon. Mr. Grossman: With unanimous consent.

Mr. Renwick: All my friends will give unanimous consent, I know that.

Mr. R. F. Nixon: Not those over here.

Mr. Renwick: I am kind of inclined to agree that the hon. member for York North wants to give unanimous consent as well.

Mr. Chairman: Meanwhile, anything further on the bottom of page 2?

Mr. Renwick: What price are you going to get for your farm these days, Tom? What's your uncle doing in his grave tonight? He must be revolving at a rapid rate.

Hon. Mr. Grossman: Turning over.

Mr. Renwick: He wishes he was never Premier.

Mr. Chairman: Is there anything further at the bottom of page 2?

Mr. Cassidy: At the bottom of the page, two or three things, Mr. Chairman. I'll be very brief though, because I think a lot of what needs to be said has been said.

An hon. member: Oh, my God!

Mr. Cassidy: The government had a couple of choices: It could have profited from speculation, which is what the minister claims it's doing; it could have sought to stop speculation, which is what the Treasurer said that the government was trying to do; or it could condone the inflation and speculation going on in land. And in fact it is the latter which it will wind up by doing because of the 10 per cent rule which is being built in. This is neither fish nor fowl and the minister—

Mr. Renwick: Nor clear red herring.

Mr. Cassidy: The minister claimed a virtue in that. I would suggest that it's a grave defect.

Mr. Lawlor: To coin a phrase.

Mr. Cassidy: Because of the 10 per cent rule, which is somewhere near the long-term rate that property has been increasing in value over the last 10 or 12 years, somewhere near it, you do not effectively profit very much from speculation. That was admitted by the Treasurer when he put a value of only $25 million a year on the revenues from this particular tax. Out of a total value of property changing hands in 1974, something like $12 billion, you will see $25 million, and if my arithmetic serves me correct—let's see if I can do it now—

Mr. Renwick: Could I help, I have my slide rule here?

Mr. Cassidy: You do?—that is two-tenths of one per cent of the value of the property that will change hands in the province this year.

Mr. Renwick: Right on, two-tenths of one per cent.

Mr. Cassidy: Okay. Now, alternatively, what I think the government ought to have done would have been to make either no allowance or a very small allowance for the cost of maintenance.

Hon. Mr. Grossman: The member for High Park said he didn't have much respect for your economic sense. Do you remember that?

Mr. Cassidy: Well, that's all right. At that point you would have had the effect of making it extraordinarily difficult to speculate, but we have been through a number of ways in which speculation can continue at a rate of about 10 per cent a year, which is at or above the level that I think anybody in this House would agree was desirable as far as the increase in property values is concerned. If property values go up by two or three per cent a year, nobody is going to complain very much. Traditionally, a bit of inflation has lubricated the market, I guess you can say, and I don't want to go into a long speech about that—

Mr. Renwick: Why not?

Mr. Cassidy: —but you are condoning a rapid rate of inflation in property values, and that is not what the government said you intended to do, and you are neither stopping speculation nor substantially profiting from speculation, which is your version of what ought to happen. The final point is simply this, if the Treasurer says that you are innovating, which you are doing, then you ought to be able to have the facts before the House and it's shameful that you, as Minister of Revenue, should not have gone to all these high-priced experts and brought them in to help on this Act because otherwise the waters are really uncharted.

Hon. Mr. Meen: Mr. Chairman, certainly we have had the benefit in the sense that the government has had the benefit of the high-priced economists to whom the hon. member refers. It's their view that a tax of this sort, after giving due allowance for what we consider to be modest carrying charges, without letting speculators get in and utilize virtually all their equity against other speculative investments, thereby driving up the prices, including their own, and thereby being able to deal off their property at an enhanced value and so on, the way in which they have been able to spiral this—

Mr. Cassidy: The spiral continues.

Hon. Mr. Meen: —that the 10 per cent figure for the carrying cost is not unrealistic, and that's all we are talking about in this subsection. The other allowances for different types of investors are geared to that kind of investment.

Mr. Cassidy: May I ask the minister then, why permit carrying costs at all as far as the financing costs are concerned, this 10 per cent rule? Where it's rental property the income will basically cover the maintenance cost, the taxes, the fuel, the hydro, the repairs and that kind of thing. Now, why allow, in effect, speculation in raw land and give a 10 per cent allowance at all? Why not just do away with it?

Mr. Renwick: Do away with raw land?

Mr. Cassidy: Then you would bring the speculation to a real stop. But you like the speculation.

Hon. Mr. Meen: No, actually I think that what happens here is that there's greater incentive for the investor in raw land to bring it into a serviced condition and get it on the market.

Mr. Renwick: Excuse me, Mr. Chairman. I don't want to interrupt, but I would like to introduce to the House the leader of Her Majesty's loyal opposition, Mr. Robert Nixon, who is sitting in the upper gallery.

Mr. Chairman: The member for Lakeshore.

Mr. Lawlor: Mr. Chairman, the debate for the past three-quarters of an hour has been, I suggest to this House, rather beside the point. As I wander across the province to speak to my fellow solicitors, they nudge up to me gently and say—

Mr. Renwick: Where? In the line-up at the registry office?

Mr. Lawlor: They nudge you and say, "You know, parliamentarian, this bill is really a bonanza for us lawyers. We are really going to clean up on this one." It is a cornucopia of good things for the legal profession. If Shulman's 10 per cent isn't used up in terms of mortgage interest—and more than used up, as he suggests—then in the second part of the clause under the disposal costs, the stretching will be such just to take, curiously enough, just the full 10 per cent. Therefore there's no mortgage.

If the tax has come to a modicum, a moiety, of the percentage and if the real estate fees come to, say, five or six per cent and that's a disposal cost, and it doesn't come up to the $100,000 they are looking for which is deductible, I suggest the legal boys will move in, pick up the other $75,000, very gently, and say to the client, "You are not really losing very much by all this. As a matter of fact, according to the amount of your expenditure and according to the amount of the saving"—which would be 50 per cent of the $75,000 I take it—"we can make a deal. We can enrich ourselves at the expense of the province and we'll see that we get the full benefit of the 10 per cent."

Isn't that in the cards? I suppose all you would say is, "Felix corrupa; these are one of the happy falls that happen in legislation. We can't prevent everything. If the lawyers, bless them, of all people are going to be the beneficiaries, I can't think of a better bunch."

Is that really what you are driven to say? It goes further than that. The minister has all kinds of investigatory sections here which are as punitive as you'd like but what is there really to prevent a deal, a side deal, being made that a real estate firm will charge 7¼ per cent on its real estate turnover and kickbacks take place? What is there really to prevent a move into that area?

Hon. Mr. Meen: The member has referred to what I would consider to be colourable transactions. I think that is section 6 of the bill:

> Where the result of one or more sales, exchanges, declarations of trust, or other transactions of any kind whatever is that a transferor has disposed of property under circumstances such that he may reasonably be considered to have artificially or unduly reduced the amount of the taxable value of designated land that he has disposed of, the taxable value shall be computed as if such reduction had not occurred.

There is the section which catches it.

Mr. Cassidy: We have found legitimate ways of reducing this.

Hon. Mr. Meen: Of course, the question is how do we catch these things? We do have inspectors and we do have ways in which to check these out one way and another.

Mr. Lawlor: You will need whole phalanxes of them.

Hon. Mr. Meen: Yes, we have quite a phalanx of staff in one area and the other, including income tax.

Mr. Lawlor: You only have a handful and you only need a handful.

Mr. Chairman: The member for High Park.

Mr. Shulman: Just before we abandon that point, by how many does the minister intend to increase his staff as a result of this particular section and others?

Interjections by hon. members.

Mr. Chairman: Order, please.

Mr. Shulman: Does the minister have any estimates of how many thousands he intends to hire to police this particular thing?

Hon. Mr. Meen: That question was asked during second reading, Mr. Chairman.

We do expect, perhaps, a modest increase in assessment responsibilities in this end of things; that is, assessment of values of properties as of April 9, as the questions come up. But as the general blitz, you might say, on assessment of the province winds down over the next couple of years, there will be staff, who are presently doing that extensive work across the province, who will be released from those responsibilities and will be able to take on these other assignments as the time goes on.

Although we might have had a dropoff in the numbers I don't expect—subject to that, and if it hadn't been for that, we would have had a bulge in employees by, say, two or three dozen; something of that sort. I don't

expect we will have any significant bump or bulge in the number of employees related to this end of things for assessment of real estate; for municipal assessment purposes; for assessment of real estate for this Act and, of course, for succession duty purposes.

Mr. Shulman: I would like under this section to examine one other aspect of the minister's woolly thinking.

I am referring now to the three-year rule. As I understand the logic the minister used, he said that inasmuch as we are not backdating the speculative tax—and the minister gave very valid reasons why he couldn't do that—therefore, we can't backdate the ownership. This three-year rule is presumably to differentiate between legitimate investors and speculators.

I would like to give the minister a specific example of John Jones who bought a property 35 years ago, has held it all this time and dies a year from now. The full tax becomes payable on that increased value over the period of a year. By no stretch of the imagination could that man or that estate be called a speculator. The minister has used a very bad analogy. It is not an analogy at all; they are not even in the same direction.

I wonder if the minister has used the wrong analogy or if he has some other thoughts which he hasn't given to us yet? If what you are deciding here is who is a speculator and who is an investor, how can you possibly take a fixed date, April 9, 1974, and say that even if the man held it for a lifetime before, he is a speculator if he is forced to sell it in the next three years?

Hon. Mr. Meen: The hon. member can call it woolly thinking if he likes, but the fact is that if we are starting off on a programme of this sort, it is appropriate to start from a date for virtually all purposes, and we have done so in this instance.

On the death of an owner of real estate, there is not an automatic attraction of tax anyway, so that problem which the hon. member refers to, in my opinion, doesn't arise. It does not attract a tax just on his death.

Mr. Shulman: I am sorry, I didn't hear you.

Hon. Mr. Meen: It does not attract the tax on his death.

Mr. Shulman: Well, it does, because it will have to be sold. He is not to be holding it after he is dead.

Hon. Mr. Meen: If it passes to a beneficiary under his estate for example.

Mr. Shulman: Now surely the minister must have enough legal knowledge to know that on death, most such properties are sold. No? No. All right, let's leave out the percentages.

The minister has said, and it is quite valid, that if you are going to bring in an Act like this, and God knows why you would, you must pick a fixed date for most purposes. I agree. But there is one thing that you are trying to define here which has nothing to do with the other things at all, and that is, who is a speculator? You define it by the length of time they are holding the land. Now, if the length of time that they are holding the land is three years and that stops them from being a speculator, surely it is completely irrelevant to every other section of the Act whether that time began in 1920 or 1950 or April 1, 1974. You are saying that it doesn't matter. Just for the sake of simplicity, you will do that.

But, I want the minister to think. What he is doing in this Act is punishing a few people, a few hundred people, or perhaps a few thousand people, who in the next three years will be forced, for one reason or another, to sell land which they have held for many years. You are saying, "Well, we don't care about them." You are saying, "Well, for the sake of making the Act simple, to draw it up we are going to use April 1, 1974, for everything."

Hon. Mr. Meen: April 1 is Fool's Day.

Mr. Shulman: April 9, sorry. You see, actually you should have brought it in April 1. The bill would have sat better.

Mr. Minister, it is a simple amendment to bring in and you have made an error. Perhaps we can't agree on economics, I know you don't understand that aspect, and we probably can't agree on finance because we have different views there. But this is a simple matter of plain common sense. You are going to catch a lot of innocent people, a lot of innocent beneficiaries, and why? For no reason. Just because you won't bring in an amendment? At least give this some reconsideration. We hate to think we are talking just to a stone wall. Will you respond?

Hon. Mr. Meen: There are difficulties involved in this kind of thing, Mr. Chairman. The hon. member, who is a doctor by profession, perhaps hasn't had access to some of the difficulties that the legal profession encounters when dealing with real estate. There

can be equitable interests, there can be all sorts of interests that are not relatable to the registered ownership of the property. There could be ownership in a corporation which might subsequently pass to an individual by the family farm routine or other courses of action.

This is not an easy thing to pin down, and as far as my draftsmen and I were concerned in working on this element, it seemed to be far easier for people to comprehend and far easier to assess in every respect, not just to assess in terms of dollars assessment, but to assess one's liability, to look at the whole prospect and say that this is a new principle we are introducing as of budget day, April 9, and as of that time these principles are going to apply.

People can judge themselves and guide their activities from here on based on these announcements. Again, if one wants to talk to the Treasurer on something like this, that is fine. But, it is a practical kind of mechanism to date this sort of thing from the announcement of the whole programme.

Mr. Shulman: Sure it is easier; I agree with you that it is easier. Sure it is practical, yes it is simpler, if simpletons have to read it.

Mr. Renwick: Mr. Chairman, on a point of order, is there a quorum?

Mr. Chairman: Mr. Clerk, take the count.

Mr. Renwick: I hate to do this to my colleague for High Park.

Clerk of the House: Mr. Chairman, there are 20 members.

Mr. Chairman: A quorum is 20 members.

Mr. Shulman: Mr. Chairman, the point of this bill surely is not to make it simple for the lawyers to understand. If the doctors can understand it I would hope the lawyers would be able to understand it, too.

The minister has pointed out a number of complications, none of which is relevant to the point I raised to him. He has chosen very arbitrarily, and I don't quarrel with it, to say that after three years the land is not considered to have been held by a speculator but is considered to have been held by an investor. Since he has chosen this period of time, surely it doesn't make the bill any more difficult, any more complicated, to say in that case it doesn't matter when the land was bought? It just doesn't make sense to say if you own the land for three years starting now you are an investor but if you owned it 20 years prior to this year and have to sell it this year you are a speculator.

Mr. Givens: You are absolutely right. It makes no sense at all.

Mr. Shulman: Why can't we get this minister to understand that? He keeps saying "Go and talk to the Treasurer." The Treasurer isn't bringing in this bill. He's gone to Cathay. He's left it to you. You have to accept the responsibility and you can't shrug it off by saying "it's easier" or "it's the Treasurer's responsibility"; it's your responsibility.

When we in the opposition come to you with a reasonable amendment, you shouldn't shrug it off and say it's not reasonable. It's reasonable, it's simple and it isn't fair for you to punish innocent people in this way. Innocent people are going to be hurt because of your lack of consideration, your lack of thought and your lack of willingness to reconsider.

Again, this is a very simple point. There are going to be people who die this year; there are going to be people who go broke this year; there are going to be people who move to other countries this year and those people are going to be forced to sell their property. Why are they to be punished if they're not speculators? Will the minister respond?

Hon. Mr. Meen: If the member would care to resume his seat I might just observe this; I think he may have been in the House when I mentioned that in drafting this legislation from square one we have, I think, come a long way. There may well be areas in which it can be improved.

It's an interesting thought he offers. I would observe to him that it has not escaped our attention; we have not been oblivious of this potential problem with deaths and dispositions in the next couple of years. If he can offer me a suggestion by way of an amendment, certainly I can take a look at it.

One has to recognize in these bills that a very minor amendment in some places can have substantial effects elsewhere. I would want to be sure that any alteration in a section such as that—it sounds simple and the member can make it sound very simple indeed yet it could well have implications. I'll take that under advisement. I think there is some logic to it all but we must recognize you don't just apply it there. There may be other areas in which, with equal logic, it should apply in establishing the distinction

between an investor and a speculator. The speculator we want to catch; the investor we don't.

Recognize, too, that in allowing the capital accretion up to April 9 we are giving them all of that through to that date without any allowance.

Mr. Cassidy: You sure are.

Mrs. Campbell: Why don't you bring in the bill yourself?

Hon. Mr. Meen: The member for Ottawa Centre and his friend from High Park can argue this out themselves but they are at opposite poles when they talk about this.

I suspect the member for High Park, in advancing this logic of determining who becomes an investor at what date and who is a speculator up to April 9, would have to concede that if you are going back beyond that date you are involved with potential speculation with the very fellow to whom you're going to accord an element of investor status—because it just happens that on April 9 we came in with these announcements that from here on the speculator was a bad guy and the investor was a good guy. That's one of the intellectual problems one has to wrestle with, in determining whether he goes back to relate to an earlier date when the investor of today was really a speculator last month, and prior to April 9. That is one of the reasons, if not the fundamental reason, for establishing April 9 as the starting date for this kind of programme.

Mr. Shulman: Mr. Chairman, I would like to continue on this point, but I don't think we have a quorum.

Clerk of the House: Mr. Chairman, there are 17 members present.

Mr. Chairman: That's not a quorum.

Mr. Chairman ordered that the bells be rung for four minutes.

Clerk of the House: Mr. Chairman, there is a quorum present.

Mr. Chairman: The member for High Park.

Mr. Shulman: The minister has suggested I prepare an amendment and has pointed out the very numerous pitfalls if I do prepare an amendment. Surely if the minister agrees with me, it is his duty to have his experts prepare the amendment, which we will be glad to support. The time to do it is now, not after the bill has gone through.

If this is a legitimate point—and I don't think there can be any question in the minds of anyone in this chamber but that it is—if you don't do this, innocent people are going to be hurt. The amendment should be brought in now. Surely it is not the responsibility of the opposition to prepare the amendment. It is our responsibility to point out the omission that has been made and the error that has been made. You obviously agree that there has been an error made.

Hon. Mr. Meen: On the contrary, I do not agree that an error was made, Mr. Chairman. I expressed to the member my recognition that he was making a point. What I am saying is that there is considerable validity to the point of taking April 9 as the beginning date for the whole programme. That was deliberate; that was not an error. As far as I am concerned, there is good reason for starting it at that time, when we recognize that we are allowing the appreciation in values up to that date. I don't think people can suck and blow at the same time on this argument.

You are going to have a starting date of April 9 for the one with everything accumulated to that date, which makes abundant good sense too. When you consider the commitments that might well be made of a fiscal nature with respect to the property values that will have developed to that date, then I think it is equally appropriate that the timing for determination of whether one is an investor or whether one is a speculator should also run from that date.

Mr. Shulman: Mr. Chairman, I always find it difficult comparing apples and oranges. Perhaps the minister can help me. What possible similarity is there between the two? I think this is very obvious to me. I must disagree with my colleague from Ottawa Centre. You cannot tax prior to April 9. The reason for that is quite clear. If someone bought a property 10 years ago for $10,000, and if it has appreciated as of now to $100,000, and he has perhaps put a $90,000 mortgage on it, you can't suddenly charge him on $90,000 in appreciation. You would have a rash of bankruptcies across the province.

Hon. Mr. Meen: You could, but you would confiscate.

Mr. Shulman: That is quite obvious. However, that has nothing whatsoever to do with the fact of determining who is a speculator and who is an investor, and I think the minister must agree with me that an investor by definition is someone who holds things for

a long time. A speculator is someone who picks something up, or gets an option, and turns it over and grabs his profits and steers on. If you want to interrupt me, go ahead.

Hon. Mr. Meen: The point really is that up to April 9, a person who might now look like an investor might very well have been the speculator who was waiting to take his gains at some later time. Now we are saying to him, "Look, friend, if you hold beyond April 9, you are running the risk of a speculative tax at the rate of 50 per cent on any further gains." Up to that time there was no impediment placed in the way. He could very well have been a speculator but could be running under the cloak of an investor, if you simply take the definition relating back prior to that date. Ergo, it follows that if you allow the capital accretion to April 9, then it is appropriate to run the time for a further definition beyond that date.

Mr. Shulman: Ergo? It is not ergo.

Hon. Mr. Meen: I don't think the hon. member and I are ever going to agree on that problem.

Mr. Shulman: Well, I am going to try to persuade you. We have lots of time—until July 8. Let me take a different approach. Obviously, up until April 9 nobody needed to know the difference between a speculator and an investor. You are quite right there.

You have now defined a speculator as someone who buys something and sells it in less than three years. If he holds it for more than three years he is not a speculator, he is an investor. They were both the same thing. But you have chosen your definition. You are the guy who said that a man who holds something for three years is an investor. So, by definition a lot of speculators are going to turn into investors.

Well and good. You can't do anything about that when you make such a definition and when you pick an arbitrary time like that. I am not criticizing the minister for doing that. I think you have to do that. What I am objecting to is that there are a lot of people who by no stretch of the imagination could possibly be called speculators.

Perhaps they are people who have had land in the family for years or generations. Because of this very rigid stand you have taken, any of those people who in the next three years are forced to dispose of their land, for whatever reason—illness, death or bankruptcy; and there are always such cases coming up with the thousands and thousands pieces of property in this province—those people are going to be punished unfairly.

I don't think that is what you want to do. That surely wasn't the intention of the Act. It is so easy to exempt those people merely by saying, "People who have held land more than three years are considered investors." No date on it. Will the minister tell me why not?

Hon. Mr. Meen: I have already said so, Mr. Chairman, but in short, the investor-cum-speculator up until April 9 could not be distinguished.

Mr. Shulman: Still can't.

Hon. Mr. Meen: Now, we think they can be by their actions. It's appropriate that we cannot try to distinguish them. From here on, the person who holds, if he holds for three years, will have met the commencement of the test at any rate. And of course if there has been a substantial gain in value in that period of time from April 9, then perhaps he should pay part of that. He is not being penalized on anything that accumulated up until April 9, only on any increase after that date.

Mr. Givens: You'd better not buy within the next three years.

Mr. Shulman: Mr. Chairman, what the minister is ignoring or missing or doesn't want to see is: There are no more speculators in this province. No one is going to buy and sell land within a period of three years. No one will voluntarily. Why should they? They would be crazy to. They would have to charge so much for it. If we really do have speculators left, it means the inflation in this province for the next two or three years is going to be out of control.

Mr. Givens: You'd better run for cover.

Mr. Shulman: If, in effect, you catch any speculators, it means that things will have gotten so bad, and prices will have gotten so high, that in spite of your confiscatory tax there is still going to be selling. Because nobody is crazy.

Mr. Givens: You'd better put them all on the parkway—

Mr. Shulman: People who buy land or property are not out of their minds. They are not going to go and buy a property today and re-sell it six months from now at a profit, and give the profit to the government. Why should they? Of course they are

not going to. They are all going to be investors. You won't have any more speculators. The only people you are going to catch are those who are going to be forced to sell, for whatever reason. And most of these are not going to be the people you are after.

It really bothers me, Mr. Chairman, how little thought the minister, or whoever is responsible, has given to this. Because it should be obvious. It is obvious to the real estate community, it is obvious to the lawyers, who are delighted. They are the only group. The real estate people are appalled. The lawyers are the happiest people in the province because they are going to have six times as much business; it is going to be six times as complicated; nobody can really understand the numerous sections in here, not even some of the lawyers.

I had the pleasure at the dinner hour of sitting with half a dozen lawyers and going over this section by section. One of the sections we have just passed they read and reread—(d) I believe it was. There were, I guess, six lawyers there. Two said they didn't know what it meant, four thought they knew, and each gave a different interpretation.

Hon. Mr. Grossman: And it was written by a lawyer.

Mr. Shulman: I doubt it. I think it was written by a doctor, from the sound of it.

Hon. Mr. Meen: It's a prescription.

Mr. Shulman: It's a bad prescription, a very bad prescription.

Mr. Chairman, before this particular clause, or sub-clause, or sub-clause of the sub-clause of the sub-clause of that clause, goes by, I want to make one more effort with the minister. This clause is a horrendous error. It is going to produce inflation; it is not going to catch any speculators; there are no speculators. It is going to catch a lot of innocent people, and the minister's name is going to go down in history as the man who brought through clause one, subsection 1, subsection 1(1), subsection (c), sub-subsection 4, subsection (b) which begins the aggregate of.

I have stood here in this House and I have sat here, and I've seen dozens of bad bills come through. I have never seen one quite so ill thought out, which was going to produce quite such bad results. In all the bad bills, and even in this bad bill, this particular section has to be one of the worst.

No consideration of inflation; it doesn't exist in Ontario. No consideration of maintenance costs. No consideration of mortgage costs. No consideration of the effect this is going to have on mortgage money and the increased demand. No consideration of the effect this subsection is going to have on the rents in this city, since you can't get mortgage money any more because the competition is going to be so high. No consideration of any of the effects that this is going to have on housing—the increased costs, the unavailability, the stopping of building. All this will be done because of one little subsection, on which four lawyers can't even agree as to what it means.

I really must congratulate the minister. He will be well remembered for this bill, long after all the other bills in this session have been forgotten. Art Meen and—what is it called?—An Act to impose a Tax on Land in respect of certain speculative Transactions affecting the Control or Ownership of Land—

Mr. Givens: The Meen tax.

Mr. Shulman: The Meen tax? That's good. It's a mean, mean, Meen tax. It's really bad, Mr. Minister. I am embarrassed for you. I like you. I really like you, and I am embarrassed to see you go down in this way. You know, we may have True Davidson sitting over there at the next election.

Hon. Mr. Meen: Well, I will tell you, you won't be over here anyway.

Mr. Shulman: No, I am not running, but there's an outside possibility my colleagues maybe will. And if they are, a great deal of the credit will go to you. Or the blame, I am not sure which at the moment. But whatever it is, as the member for Ottawa Centre sits over there as the minister of finance and he brings in his various bills—

Hon. Mr. Meen: Heaven help him!

Hon. Mr. Grossman: Good God!

Mr. Shulman: —and he brings in his various bills, and you come to my office complaining, I will say, "You did it, Arthur Meen, you did it."

Mr. Chairman: Does this particular section carry?

Mr. Cassidy: Mr. Chairman, I just want to know what section we are going on to.

Mr. Chairman: The member for St. George has the floor.

Mr. Cassidy: That's fine. What section are we on now? I don't think we have carried

anything, have we, Mr. Chairman? Still on 4(B)1?

Mr. Chairman: We went up as far as 4. At the bottom of page 2 and the top of page 3.

Mr. Cassidy: That's fine.

Mrs. Campbell: Mr. Chairman, to the minister, following what has been said by the member for High Park, this is the point at which I have the gravest concerns over all, because I think as I said to you before rather privately, it seemed to me that you had cast a net for the barracuda and you had succeeded in picking up the minnows and the barracuda came out of the top of the net.

There is no doubt in my mind that the speculator, the very person that this bill is designed to catch, is the one who will be able to hold in any way he can for as long as it is necessary for him to avoid the tax and will make any arrangements he needs to make to avoid the major effects of this particular tax. Surely that was never the intent. It was not the principle that I supported.

Mr. Cassidy: Oh.

Mr. Shulman: Oh.

Mrs. Campbell: As I said when I spoke to this bill—

Mr. Cassidy: The Liberals are deserting you one by one.

Mrs. Campbell: I wonder if I could speak? I didn't interrupt you, the member for Ottawa wherever. I would like to continue if I may. I have been quite quiet and you have held the floor pretty well.

When I spoke in this House on this bill, I stated that I did approve the principle of a tax on speculative profits, and I still do. There is no waffling on that point. In fact, I begged you to bring in your amendments, if not line by line at least in principle so that I would understand just wherein your principles were going, because you had indicated that there would be major amendments. Is that not so, Mr. Minister?

Hon. Mr. Meen: Yes, that's so.

Mrs. Campbell: All right. Now, I spoke to you afterwards about this matter as a concern of mine, and in speaking in the House I used the analogy of the umbrella which has caught the wrong people. I am now asking if the minister would not give an undertaking to go back on this portion of this bill and consider an amendment which would protect the person who obviously has had no speculative intent, if you like, in the acquisition of property.

I know what you are going to say about April 9, and I understand your point, but one of the problems you've had in this House has been that degree of inflexibility that has made it very difficult for us to communicate even our concerns.

I am pointing out this one area to you now and I am asking if you will not at least go back and look at it again to see if it cannot be rephrased in order that we are talking about the speculator who has been unscrupulously driving up land costs in this province and not the person who has bought land or has inherited land, or whatever else he has done, who simply happens to have it and who has for some reason been forced to dispose of it, for whatever reason.

I recognize and I am not quarrelling essentially with the April 9 date and your reasoning on it, but I do believe that if you take this back and discuss it with your experts you surely can come back with an amendment which would assist all of us who are concerned in this area. I had never intended or wanted to see the little investor hurt, and mostly this will mean, as I say, the minnow, not the big person, will be caught.

I would ask, since it's growing late, if you would not at least reconsider this point. It's quite possible, surely, with all these experts, that we could come up with something that would indeed indicate some degree of concern for the small person in this area. Thank you, Mr. Chairman.

Hon. Mr. Meen: Mr. Chairman, I have a great deal of sympathy for what the member for St. George has been saying. She and I did talk about this, and I recognize this problem. I am pleased to see that she does recognize that there is some validity to the argument that I have been advancing as to the fixing of the date of April 9.

The big problem we have had has been to try to identify in the form of a statute just what does constitute intent. Intent prior to April 9 is the subjective assessment, just as it is today and tomorrow and the next year and so on, and it just isn't something where you can say, "Well, if they had the intent to hold it then they should be free and clear of tax."

Mrs. Campbell: I recognize that.

Hon. Mr. Meen: Okay, so how do you assess intent? We have wrestled with this.

If I had a nice pat answer to that one I would be delighted to know what it was.

I don't know how we distinguish the little fish to which the hon. member and I have alluded when we have been talking about the wide net that I cast, and perhaps too fine a mesh that I had in that net, and how in trying to catch the barracuda you wind up catching the minnow. Yet at what size do you set your mesh? Just how do you identify the little person who shouldn't be classed as an operator?

At some stage you have a person who falls into that net and gets caught by it. It has to be an arbitrary kind of thing. I have no answer for that, and I can tell the hon. member that although I have every sympathy for it and I am grateful to her for her observations, the fact remains I just don't know at this point how we can accomplish that. After we have worked with this legislation for a while, perhaps some way will develop in which we can identify that sort of person.

That's about all that I can offer at the moment. We work with this and it is one of the reasons why the bill is as complicated as it is, inasmuch as we have tried to direct its attack in the area we were trying to reach without catching up everything in the course of the sweep.

Mr. Chairman: The hon member for Ottawa Centre.

Mr. Cassidy: Just very briefly, Mr. Chairman the tragedy about what the minister has been saying is that the government stood idly by while the speculation or investment or whatever it was drove prices sky high in the period prior to April 9, 1974.

Hon. Mr. Meen: You are still opposing what we are doing.

Mr. Cassidy: We oppose what you are doing now because of the fact that you allow most of this kind of activity to continue without effective check by the government. That was made very clear in the debate.

I find it exceptionally difficult to see any distinction between most of those so-called investors and the speculators because it seems to me that, as the member for High Park says, there is no difference. But the mills of the government are grinding to try to find out what the difference actually is.

I have just been making some calculations here that if property values continue to rise by 15 or 16 per cent a year, a $100,000 investment property today sold in 10 years time would fetch $300,000 and the gain from that would not fetch a penny in this particular speculative land tax.

In the case of land, raw land—

Hon. Mr. Meen: What kind of accommodation, what kind of investment?

Mr. Cassidy: This would be an investment property. Not a penny—and surely that increase of $200,000, the tripling of value, would represent—

Hon. Mr. Meen: Apartments haven't gone up at that rate.

Mr. Cassidy: They have gone up at that kind of rate in my area, they go up at that kind of rate in all the residential areas, and it has been one of the chief reasons for the escalation of rents. It has been capitalization of rising rents that has been permitted and condoned by the government.

There is a saying, Mr. Minister, that property is theft and it is obviously something that is still subscribed to by this government.

Mr. Chairman: The hon. member for High Park.

Mr. Shulman: I want to take a different approach again, I am going to try the minister on another tack if I may. The tack is that of distortion. I am sure he must be aware of the dangers that occur in any system of free enterprise—and we still have such a system—when you begin to distort the financial markets. What you have done is exactly what the Americans did a year ago with their stages two and three of controls. They made an attempt to keep down the price of certain specific items, especially cattle and hogs, thinking they would keep down the price of food. When the smoke cleared, the first thing that happened was a shortage, but the price of cattle and hogs, of course, was considerably higher than when they first attempted to control it.

You are doing exactly the same thing here. You are distorting the economy by bringing in a bill which in effect penalizes people who own land if they sell it within the next three years. There is no question that everything is going up in price, not just land. Our salaries are going up, everybody's salary is going up; the price of goods coming into the country is going up so the price of everything else is going up. There is no way anybody in this room is going to stop that; there is no way this government can stop it.

When you attempt to do what you are attempting to do, what you are going to do is produce a strange distortion. I don't claim to say where this is going to end but I do know that within months or within a year you are going to have the same result up here as the US had a year and half ago when it attempted to do exactly the same thing in the food field.

You are going to have a scarcity as people pull their land off the market, and then when the lid comes off—and the lid always comes off, and I suspect it will come off in one of two ways—a year or a year and a half from now when the election campaign comes up, I suspect you people will repeal the bill; if you don't repeal the bill I suspect the Liberal Party will campaign on a policy of withdrawing it if and when they are elected. If they do, and you stand firm, they will be elected.

Hon. Mr. Grossman: You don't give the NDP a chance, eh?

Mr. Shulman: It is not an NDP issue, really.

Mr. Cassidy: We'll bring in an effective tax.

Mr. Shulman: It is a financial ploy which has been tried in other countries very recently. That is what bothers me. I see the same thing happening just across the border from us; apparently the minister's advisers haven't looked. Or if they have looked, they haven't told you. Or if they have told you, you haven't understood. You know, if we had a socialistic government here, you could do it. You can do anything in a socialistic government. You pass a decree, and that's it. But in this system that we have today, you can't do it. We have got a free-enterprise system, with the interplay of all sorts of financial things keeping things on an even keel; and when you start to distort, as you are going to do now, there are going to be horrendous things happening.

Hon. Mr. Winkler: Are you saying that you are in favour of the free-enterprise system?

Mr. Shulman: I am in favour of the best of both.

Hon. Mr. Winkler: Do you like it as it is?

Mr. Shulman: No. I want to improve it. But I don't want to see it ruined.

Hon. Mr. Winkler: Oh, I see. You want to improve the free-enterprise system.

Mr. Shulman: Yes.

Hon. Mr. Winkler: That's fine.

Mr. Shulman: I don't want to see you people ruining it. You are supposed to be exponents of free enterprise, yet you bring in a bill like this, which in effect is—

Hon. Mr. Winkler: Certainly not your colleagues, my friend.

Mr. Shulman: My colleagues all agree, we want to improve the free-enterprise system.

An hon. member: You're kidding.

Mr. Shulman: We don't want to see you ruin it.

Mr. Cassidy: We are going to revolutionize the free-enterprise system. We have total unanimity.

Hon. Mr. Winkler: No wonder you never go to caucus.

Hon. Mr. Grossman: Everyone wants to be a Tory.

Mr. Chairman: Order.

Mr. Shulman: Well, except the Tories. That's, what bothers me. Perhaps the people over here want to be Tories, but over there, you are behaving like Red Guards, with about as much sense.

Mr. Givens: That's what makes your bill so weird. You guys are going for it.

Mr. Shulman: If this had been brought in by that fellow, Mel Watkins, I could understand it. It's the type of thinking that we had before we got rid of those people. It's a lack of thinking. It's a lack of looking ahead. This is what really disturbs me. The implications are evident to anyone who is involved in the field—and by that I mean the two fields, the economists on the one hand and the real estate people and the lawyers on the other—they are aware of what you are doing. I find it hard to believe that you are not aware of what you are doing.

It looked so nice on the front page of the Star, the headline that read, "Tax on Speculative Profits: 50%." Then they have to pay another 30 per cent to the federal government "We'll fix those guys," the government seemed to be saying. But you can't just stop there. You have to look at not what is happening in April, 1974, but what is going to be happening by October, 1975. And by October, 1975, you are going to have 15 months with only distressed property com-

ing up for sale, because no one who doesn't have to sell is going to sell. He would be crazy if he did. And the big land owners are not crazy. You'll get distress sales. You'll get people who are forced to sell.

Hon. Mr. Grossman: A lot of repetition.

Mr. Shulman: You will produce what you are producing in Toronto right now. There are a tremendous number of properties that are not selling—the prices are too high—and the reason you have that is they are adding in to make up for what they have to pay you as a result of this tax.

The distortions here are not going to stay just in land. They are going to spread into all sorts of fields. The first place you are going to see it is in the money market, and the money market within this province is going to be in such chaos by fall that the hon. minister is going to be written up in Time magazine. In fact, I suspect you will be written up in Fortune as the man who produced chaos in the money market for the first time, I think, since the panic of 1929. You are going to get a fame which I don't really think you want.

Hon. Mr. Grossman: He'll write a book.

Mr. Shulman: Yes, he could call it "The Meen Tax."

Mr. Chairman: Let's get back to the bill.

Mr. Givens: What is going to happen to industrial and commercial land while this is going on?

Mr. Shulman: Well, industrial and commercial land is exempted, but they still have to compete for mortgage money—and the demand for mortgage money is going to grow incredibly.

Hon. Mr. Meen: You said that earlier.

Mr. Shulman: Yes, I am replying to the hon. member for York-Forest Hill. I am coming to a different aspect of that, if I may, which is the effect on industrial and commercial land.

As a result of industrial and commercial land having to compete for mortgage money, the price of industrial and commercial land is going to go up and the rent on industrial and commercial land is going to go up. What that is going to lead to is to higher costs to manufacturers. And what that is going to lead to is higher costs for everything they produce. And what this is going to lead to is the difficulty for our manufacturers to compete with other provinces—

Hon. Mr. Grossman: Henny Penny, the sky is falling.

Mr. Shulman: Well, if the sky does fall, it is going to fall because of this section of this bill.

Hon. Mr. Meen: What section are we on? I would like to know what the hon. member is talking about.

Mr. Shulman: We are on section 4.

The minister sits there and smiles, and says, "Oh, let's get this over with; let's carry it. You have said all this before." But this bears repeating—and I am not repeating, but it bears repeating.

The implications here go far beyond what you are attempting to do; and the results of this are going to go far beyond what you intend to do. You are now going to produce chaos in so many fields which have no relationship to this bill and which no one has given any consideration to.

I look at it again and come back to sub-subsection (a), the 10 per cent—where I started this whole dissertation. If the minister can't understand that problem and if he can't understand how to define a speculator, who may be someone who dies today who held land for 20 years; if he can't figure some way of getting those people out of it, this bill is in sad shape, and the economy is in sad shape and ultimately the government over there is going to be in sad shape, because we are all going to have to pay the piper with this bill—and nobody up there is listening. They don't care. And nobody over there is listening. I have the feeling they don't understand.

Hon. Mr. Winkler: The member for High Park has got his own newspaper column. He can write anyway: it doesn't matter.

Mr. Shulman: I'm not sure anybody reads that except the member for Grey South (Mr. Winkler).

Hon. Mr. Grossman: The member is going to write a book, "How To Lose a Million."

Mr. Shulman: Next Tuesday the column is about the Chairman of the Management Board.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

Mr. Cassidy: We agree on that one, Mr. Chairman.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report progress and asks for leave to sit again.

Report agreed.

Mr. M. Shulman (High Park): Very little, very little, Mr. Speaker.

Hon. A. K. Meen (Minister of Revenue): More progress than Tuesday

Mr. Shulman: Not much.

Mr. Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to a certain bill in her chambers.

ROYAL ASSENT

Clerk of the House: The following is the title of the bill to which Her Honour has assented:

Bill 54, An Act to amend the Land Transfer Tax Act, 1974.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, before I adjourn the House I would like to say that tomorrow morning we will return to the consideration of the estimates of the Ministry of Government Services.

On Monday, we will discuss the budget and on Tuesday we will return to the consideration of item No. 2, Bill 25. Following the consideration of that bill—if the members opposite would like to take these numbers—I will call first, item No. 10, Bill 51; second, item No. 11, Bill 52; third, item No. 5, Bill 35; fourth, item No. 6, Bill 37; fifth, item No. 7, Bill 39; sixth, item No. 4, Bill 9; seventh, item No. 8, Bill 44.

This will continue through Thursday, if necessary, and a week from tomorrow we will continue on the consideration of estimates. The House will sit Monday, Tuesday and Thursday evenings.

If I may add to that, Mr. Speaker, following the consideration of the estimates of the Ministry of Government Services, I anticipate calling the Ministry of Agriculture and Food. Following Natural Resources, I anticipate calling the Ministry of Community and Social Services.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 o'clock, p.m.

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No. 46



Legislature of Ontario Debates

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LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, MAY 10, 1974

The House met at 10 o'clock, a.m.

Prayers.

Mrs. M. Campbell (St. George): Mr. Speaker, before we begin the business of the day, I should like to introduce to the House a group of grade 12 students of Campbell Collegiate Institute in the great city of Regina, Sask., who are here with their teacher Mr. Cazreau, accompanied by Mrs. Stark, a teacher from Jarvis Collegiate in the city of Toronto.

Mr. J. Riddell (Huron): Mr. Speaker, I am sure the House would like to welcome a group of grade 8 students from Hullett Central Public School, in the great county of Huron, under the supervision of Mr. MacLennan. They are sitting in the east gallery.

Mr. M. Shulman (High Park): Mr. Speaker, may the House also welcome and greet a group of 80 grade 8 students from Annette St. Public School who are just now filing into the west gallery. I personally—and I am sure all of us—welcome them.

Mr. Speaker: Statements by the ministry.

BUILDING CODE ACT

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, I would like to inform the House about the Building Code Act which I will be introducing for first reading today.

Last December I tabled the draft uniform building code, which outlined the technical standards we are proposing for Ontario's construction industry. This code is now being studied by industry associations and municipalities in a very constructive way, and changes are being proposed which will help us to make the code stronger and easier to administer. The draft Act I am introducing today contains the other and equally necessary half of a successful province-wide set of building standards, namely the procedural and administrative framework for implementing the uniform building code and making it law.

This Act accepts the basic premises of the Carruthers report of November 1969, which recommended that the development and maintenance of construction and design criteria should be largely a provincial responsibility while enforcement should remain with the local municipality. Under the terms of this Act, official interpretation of the code, evaluation of new materials and building techniques and appeal procedures will also be provincial obligations. We believe this basic division of duties realizes the advantage of local inspection by people who already know the area and the local building industry, while at the same time capitalizing on the advantages of uniformity and rapid response to new materials and techniques, both of which are best realized at the provincial level.

The most important powers vested in the municipality by this Act concern the issuing of building permits and orders of compliance. Local building officials will have the authority to deny a building permit where proposed construction or demolition does not comply with the provincial building code. In addition, Mr. Speaker, local building officials will be empowered to issue written orders of compliance to anyone suspected of contravening the code. If such an order is not complied with, construction or demolition can be stopped immediately.

To support the public's need for assurance on the safety of buildings already advanced in the construction process, it is proposed that local officials will have the authority to carry out inspections on the premises, except premises used as a dwelling, at any time without a warrant, to determine whether or not it is safe. Should the building not be safe in his opinion, he may issue written orders setting out his reasons and requiring that specific remedial action be taken within a set period of time. If such an order is not heeded, occupancy can be prohibited.

The proposed Act also provides for the creation of a provincial building code commission which is empowered to hear and determine disputes arising from the interpretation of the technical requirements of the building code or the sufficiency of compliance with the code. Appeals from orders of build-

ing officials may also be taken to the county or district courts. A building materials evaluation commission will be appointed by this government to examine new materials and techniques and authorize their use. We expect this commission to work closely with the construction industry to make sure their requirements are being met.

Mr. Speaker, we believe the Building Code Act and its regulations will provide great advantages to Ontario in the form of safer buildings, efficiency of construction methods, rapid introduction of innovative materials and methods, and consolidation of standards into one consistent and well-considered whole. In moving from 900 different codes to one, we are also taking the opportunity to update and streamline its contents so that it will accelerate responsible new development rather than impede it. The uniform building code will also provide this government with another tool for encouraging rapid production of new, moderately-priced housing in Ontario. Techniques, such as factory production of housing units, will be actively supported, provided our standards of quality and safety are met.

Mr. Speaker, I would like to point out four additional points of clarification for this Act.

First, it is a draft. We expect extensive and detailed consultation with municipalities before moving to the second reading. We believe in the wealth of practical experience accumulated at the local level and the importance of tapping it.

Second, we do not expect to apply the standards and provisions of this Act to existing housing. The code will apply only to new construction. However, major alterations to existing buildings will have to comply with the code.

Third, we will be proceeding with a housing warranty separately from this Act. To be effective, a warranty must include workmanship, which is not one of the subjects dealt with in the code. The code concerns itself only with the construction methods and materials, not with standards and judgement as to the quality of workmanship.

Finally, the code does not include the terms and regulations on fire safety, which will be incorporated into a separate Ontario fire code to be introduced at a later date.

Mr. Speaker, our code is substantially based on the National Building Code, and because of the administrative procedures we are proposing, the Ontario code will continually evolve at the same pace as the industry it regulates. It will, in its final form, be the result of broad and comprehensive consultation with the code committees, municipalities and the private sector. Thank you, Mr. Speaker.

Mr. Speaker: Oral questions.

The hon. Leader of the Opposition.

ATTENDANCE OF TREASURER

Mr. R. F. Nixon (Leader of the Opposition): I would like to ask the Treasurer why he only makes himself available in the House on those days when the House leader (Mr. Winkler) specifically indicates that the land speculation tax bill will not be debated.

Hon. J. White (Treasurer, Minister of Economics and Intergovernmental Affairs): If the hon. member thinks for one minute that I am afraid to come in here at any time, morning, noon or night because of him or anybody else, the hon. member is very much mistaken.

Interjections by hon. members.

Mr. R. F. Nixon: Can the minister explain, for example, why he wasn't here last night?

Mr. S. Lewis (Scarborough West): Take your ball and go home.

Hon. Mr. White: Yesterday afternoon I was in the hon. member's riding trying to sort out a difficult problem which he himself exacerbated.

Interjections by hon. members.

Mr. Lewis: That is what my colleague says.

Mr. R. F. Nixon: The Treasurer tried to ramrod his way to Oxford. Is that what he did?

Hon. Mr. White: No.

Mr. Speaker: Order.

Mr. R. F. Nixon: He tried to ram regional government down their throats.

Mr. Speaker: Order please. This is a misuse of the question period.

Interjections by hon. members.

Mr. R. F. Nixon: Mr. Speaker, I will accept your advice.

Mr. Lewis: And admonition, gladly.

Mr. R. F. Nixon: And admonition.

PETROLEUM PRODUCT PRICE INCREASES

Mr. R. F. Nixon: I would like to ask the Treasurer if, as Minister of Economics, he is not concerned that five days from now the price of gasoline will go up by no less than 8½ cents a gallon in this province, when he has a specific constitutional responsibility to take some action to control, or perhaps even offset that increase in price?

Interjection by an hon. member.

Hon. Mr. White: Well, I certainly am concerned about it; and yet it must be said that the gasoline tax component of the total price is relatively progressive, that much of it is paid by corporations and therefore is deductible for federal corporate income tax purposes, which therefore becomes a shift of resources to the provinces. Now this is one of the tremendously complicated and complexing matters which the federal government has had to handle, none too well it seems to me, and which I rather think the people will be dealing with on July 8.

Mr. R. F. Nixon: A supplementary: Since we are elected members of a Legislature which can, in fact, use its powers to deal with it, as Legislatures in the west and the east of this nation have done, by either reducing the gas tax or using the powers of the various energy boards to control the price, would not the minister think that by continuing to slough this responsibility off on another jurisdiction, he is guilty of irresponsibility as an elected politician?

Mr. Lewis: Moral turpitude, as a matter of fact.

Hon. Mr. White: No, sir, I don't agree with that. The Minister of Energy (Mr. McKeough) is across the street at the provincial-municipal liaison committee. I think he will be here later; he is quite obviously the responsible minister and perhaps would want to comment on these questions.

Mr. Lewis: I have a supplementary, if I may. Does the minister not consider it a betrayal of the understanding reached at the conference of the Prime Minister and Premiers that the increase would amount to 7.14 cents, that the federal Minister of Energy now has said he will permit an increase of at least nine cents per gallon, which will cost the consumers of Ontario $66 million more than this minister thought they would have to pay about a month ago? And does the minister not think he should therefore step in and roll back those prices?

Hon. Mr. White: Well, sir, this question should be put to the Minister of Energy when he arrives.

Mr. Lewis: This minister is the Treasurer.

HOSPITAL EMPLOYEES' REMUNERATION

Mr. R. F. Nixon: I have another question of the Treasurer, which perhaps he would share with the Minister of Health (Mr. Miller), but since it has to do with dollars it must concern him primarily.

Can the Treasurer assure the members of the Legislature, and perhaps even the Minister of Health if he is interested, that funds will be available to the hospital boards across this province to achieve a settlement with their workers at least as good as the settlements achieved in the Toronto and London areas?

Can the Treasurer assure us further that the arbitration established by the board in Kingston pertaining to the Hotel Dieu Hospital, which established a 4.11 per cent increase over 15 months, will be reopened and that he as Treasurer will guarantee that funds will be available so that a proper increase in salary can be made?

Hon. Mr. White: Well, sir, I have dealt with this question in a general way in this chamber within the last few weeks, and the Minister of Health has made a statement more specifically on the subject.

Mr. R. F. Nixon: A supplementary: Neither of the statements is sufficient, specifically in the Kingston area where a 4.11 increase was imposed by arbitration—which is, of course, completely inadequate—and the reasons given are that the ceilings administered by the Minister of Health, but established by the policy of the Treasurer, would not permit a greater increase in pay.

Hon. Mr. White: I read the minister's statement in the last few days and it certainly does cover these points. We have been required in the past to provide additional resources for contract awards within the Ontario public service. It has not been our custom for

many years, as long as I have been here, to forecast the nature of the settlements by building those increments into the estimates but rather to deal with them after the contract is signed by way of supplementary estimates.

We are faced with a similar situation in this area of the public sector. Of course the funds will be provided for any reasonable contract signed. Of course the Minister of Health cannot make that automatic without losing control over these enormous expenditures; and he has introduced one or two constraints with respect to the number of employees and so on.

I do believe, sir, that all of these points are well covered in the minister's statement, if the Leader of the Opposition would care to read it again.

Mr. R. F. Nixon: I don't want to dwell on this unduly but if you will permit a further supplementary, Mr. Speaker, I don't want this House to be left with the impression, from the Treasurer, that the hospital boards or the hospital workers feel that the statement is definitive enough in view of a specific case in Kingston where the arbitration award, established by the law of this Legislature, has permitted only a four per cent increase over 15 months, basically predicated upon the funds being controlled here. It is one of those chicken and egg businesses. Does the Treasurer not realize the problem when he says: "We are prepared to provide the money to fulfil the agreement," but the arbitrator says: "We cannot make an agreement because the funds are not available?"

Hon. Mr. White: I quite agree. I don't want the impression given that we are imposing undue constraint on the negotiations—

Mr. R. F. Nixon: The government is, however.

Hon. Mr. White: —or any constraint whatsoever insofar as arbitrations are concerned. At the same time, I don't want to leave the impression that this is an "open sesame" on the public purse, because it isn't.

Mr. R. F. Nixon: Four per cent in 15 months is no open sesame.

Hon. Mr. White: These educational and health costs have increased at a very rapid rate. As the member knows, the Economic Council of Canada, in its seventh report, pointed out that if these costs were not brought under control by the year 2000 they would consume the entire gross national product.

Mr. Lewis: Come on! There is no exponential curve here. These things don't increase exponentially.

Hon. Mr. White: Assuming that people will want to eat and have shelter and everything else we had to come to grips with it, unpopular though it may have been and difficult as it may have been. We had to bring these educational costs and these health costs under control; and we have done it, with the result that our own expenditures last year—

Interjections by hon. members.

Mr. J. A. Renwick (Riverdale): Absolutely ridiculous. The Treasurer is excusing the government's bankruptcy.

Mr. Lewis: What a ridiculous statement that is.

Mr. Speaker: Order.

Hon. Mr. White: Expenditures last year on our existing programmes increased by 13.4 per cent compared to an increase in revenue of 13.7 per cent. I contrast that with the federal government's increase of 22 per cent.

Mr. R. F. Nixon: How would the Treasurer like to contrast it with his deficit?

Mr. D. C. MacDonald (York South): As a matter of fact it was 26 per cent. He is just throwing the figures off the top of his head.

Mr. Speaker: Order.

Mr. Lewis: I have a supplementary, if I may.

Hon. Mr. White: I am not going to let this pass.

Mr. E. Sargent (Grey-Bruce): Half a billion dollars in debt this year.

Mr. Speaker: Order.

Hon. Mr. White: We have $336 million more coming in than we are paying out, in contrast to the federal government which is paying out $2,300 million more than it is taking in. Now who's deflationary?

Mr. R. F. Nixon: This government's deficit is $700 million. It is just contributing to inflation.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Renwick: Somebody has to fill the gap this government leaves in its obligations.

Mr. Lewis: By way of supplementary: I am not sure if the Treasurer is aware that the problem in the hospital situation in Kingston is not one of hospital workers organized by CUPE or unorganized; the award was directed to the Civil Service Association of Ontario and 33 members of the Civil Service Association were given an increase of 4.1 per cent over 15 months as compared to the negotiated increase of 50 per cent over 20 months given to the hospital workers. Surely that disparity is so unfair that something might be done to protect the civil servants who are caught in this position.

Hon. Mr. White: I have dealt with the matter in general terms. I don't know those details and that's the reason questions like this must be put to the operating minister.

Mr. Speaker: The hon. Leader of the Opposition. The hon. member for Scarborough West.

PETROLEUM PRODUCT PRICE INCREASES

Mr. Lewis: I'd like to ask the Treasurer a question in connection with one further matter about gasoline and home fuel increases. Does he intend to introduce any remedial legislation within his ministry which would have the effect of reducing the amount paid per gallon of gasoline or home fuel oil in Ontario after the date of May 15? Alternately, does he intend as provincial Treasurer to recommend to the Minister of Energy that the Ontario Energy Board have the right to review these increases, and if necessary to roll them back?

Hon. Mr. White: We did double the property credit from $90 to $180, and that property credit increment of $90 contrasts with the average increase in oil fuel costs in this province of $70 a year.

Mr. M. Cassidy (Ottawa Centre): That's misleading because it doesn't double the deductible as well.

Hon. Mr. White: The people at the low end of the income range will be somewhat better off, taking into consideration the increased property credit and the increased fuel oil costs, than they would have been before my budget.

Mr. I. Deans (Wentworth): They will not be equally well off, because of possible Hydro rate changes.

Hon. Mr. White: Insofar as the review of prices is concerned, as I have stated earlier—

Mr. Lewis: They were based on different assumptions.

Hon. Mr. White: —these are matters that must be asked of the Minister of Energy.

LEAD INTOXICATION

Mr. Lewis: May I ask the Minister of Health a question, please? How is it that lead intoxication in Ontario is not a reportable disease?

Hon. F. S. Miller (Minister of Health): I am relatively confused by the question, quite honestly Mr. Speaker. The member is talking in terms of intoxication by breathing, I assume at this point in time, or ingestion in all ways?

Mr. Lewis: That's right, inhalation and ingestion.

Hon. Mr. Miller: The question is, when is it a disease? I think this is the key to the whole lead issue. When, in fact, does the level of content of lead in a person's blood have an effect upon his health?

Mr. MacDonald: Does the minister mean if one swallows arsenic it isn't a disease?

Hon. Mr. Miller: Well it isn't at that point, no. But that's a little different, although they're in the same family in the chemical table, if that will help the member any.

Mr. J. R. Breithaupt (Kitchener): I don't see how it will help him.

Hon. Mr. Miller: I am very concerned with the key issue the member is talking about. I think the most important thing we have to resolve in our study of lead and its effects upon the human body, is when, in fact, statistically, is a level meaningful in terms of health. Until we are able to resolve that issue, really all of the levels and planning that we're trying to do, both within the Ministry of Labour and within the Ministry of Environment, are not necessarily meaningful. We have to relate them to human health, and as the members know many experts have talked about the issue without truly resolving it to anyone's satisfaction yet. We're doing our very best to get that decision; and when we

can we will have, finally, some guidelines to assist us.

Mr. Lewis: By way of supplementary, does the minister not feel that lead contamination or lead ingestion of any kind at any level which requires hospitalization and medical intervention, of which there have been many cases in the province, primarily concentrated in Toronto, should be a matter of normal reporting procedure, so that we may begin to get a sense in Ontario of what it is we're dealing with, rather than the scraps we have left?

Hon. Mr. Miller: I would support anything statistically that assists us in reaching the determination I am talking about.

Mr. Lewis: Then would the minister consider sending out letters to the various boards of health to ask that that become a matter of regular reporting?

Hon. Mr. Miller: I certainly would discuss this with my staff because I think it's worth getting any source of information that might relate illness to a cause.

TEACHER NEGOTIATION LEGISLATION

Mr. Lewis: I have a question, if I may, of the Minister of Education. When precisely does he intend to introduce the new bill on teachers' collective bargaining, the successor to Bill 275?

Mr. Deans: About the week before the end of the session.

Hon. T. L. Wells (Minister of Education): I've indicated to many groups, Mr. Speaker, that I would hope to introduce it around the end of this month, about June 1.

Mr. Lewis: By the end of this month, by June 1?

Hon. Mr. Wells: Yes.

Mr. Lewis: Has it occurred to the minister that that neatly places the debate on the bill right at the point when examinations are over in the schools, when the teachers will presumably be moving out of the classrooms, and when the possibility of getting the kind of focus on a bill of that importance is neatly sidestepped by the government? And do you not think that it might be stepped up, so that at least the teachers can come before the committee in good time to present their positions?

Hon. Mr. Wells: Mr. Speaker, as I say, I've had discussions with both teachers and trustees about this. I think we all agree that this House will be sitting here until the end of June and the school year lasts until the end of June and everybody is ready to do business until that time.

Mr. Lewis: We'll see how late it goes in June. May I ask the minister—

Mr. R. F. Ruston (Essex-Kent): He must want to get out and help his friends at Ottawa.

Hon. Mr. Wells: I would say to my friend, Mr. Speaker, that I have talked to the OTF about this and they haven't indicated any objection to debating and discussing this bill during the month of June.

They did raise a question about considering it during the summer. I indicated that the likelihood is that this House wouldn't be sitting during the summer, and certainly the bill wouldn't be going to committees during July or August. But they have raised no objection about considering the bill during the month of June.

Mr. MacDonald: Maybe they are not yet alert to the minister's tactics.

Mr. J. F. Foulds (Port Arthur): Mr. Speaker, does the minister expect the bill to receive royal assent before the end of June?

Hon. Mr. Wells: Mr. Speaker, it would be presumptuous of me to try to foresee what this House will do with that bill. I think this Legislature will have to consider that bill and pass it as it moves through the various steps of this House.

Mr. R. F. Nixon: Supplementary: Is one of the matters under consideration that the bill could be introduced and perhaps even debated and sent to committee, which would then deal with it in the autumn session when it is resumed so that the people who are concerned with it would have ample opportunity to examine its provisions?

Hon. Mr. Wells: Well I think, Mr. Speaker—

Mr. Lewis: The minister is driving it into such a small period of time; he is inviting confrontation again.

Hon. Mr. Wells: Mr. Speaker, I have given assurances, and I give those assurances again: the bill will go to the standing committee of this House. It will have full discussion at that committee; all groups will be able to

appear and that committee will have to map out its programme. If the programme takes an extensive length of time, we will just have to accommodate that in the time it takes to go through this House.

Mr. R. F. Nixon: Supplementary: The minister would then have no objection to the bill being completed in the autumn; or at least being considered in the autumn?

Hon. Mr. Wells: I would hope that we would be able to pass the bill before June so that every one knows what the situation is before the end of June. But if it was a case of passing it quickly and stifling discussion, or having full discussion and waiting till the fall, I would opt for the latter.

Mr. R. F. Nixon: That's a good boy!

Mr. Speaker: The hon. member for Scarborough West.

ELORA GORGE

Mr. Lewis: A question of the Treasurer: Would the Treasurer consider using the powers under the Planning and Development Act to create a development area in the area of the Elora Gorge so that area can be protected as has been recommended by the chief planner of the Waterloo region?

Hon. Mr. White: I hadn't been aware of that suggestion, Mr. Speaker; but, yes, I would be glad to take a look at that possibility.

Mr. Lewis: Would the minister take a look at it?

And as a supplementary, may I ask the Minister of Natural Resources if he has looked carefully at the Grand Conservation Authority and its activities in approving the bridge across the Elora Gorge, despite an environmental impact study which showed 11 objections to it, two positive endorsements and two neutral positions? Does the minister not think that he might intervene on behalf of the environmentalists who are attempting to prevent the desecration of the gorge?

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, we have been watching the events there very carefully because of our interest in what the hon. member refers to. I would point out to him that the council has as yet not approached the conservation authority. When the conservation authority is approached, they make their recommendations and they come to the minister for approval. At that point in time we will provide our input.

Mr. Speaker: The hon. the Minister of Health has the answer to a question asked previously.

USE OF SODIUM NITRITE IN FOODS

Hon. Mr. Miller: Yes, Mr. Speaker, on Tuesday I was asked a question by the member for Sandwich-Riverside concerning nitrates and nitrites in food. Perhaps he would like to listen to my answer.

Mr. Deans: Well perhaps the minister could speak up so we could hear him.

Hon. Mr. Miller: Well I have another speaker here.

The federal government is very much aware of the problem surrounding sodium nitrites and nitrates in food products and there is a regular two-way liaison between our nutritionists and theirs on this and other food matters.

It is true that nitrates do combine to form nitrosamines, which have been found to cause cancer in animals when given in very large doses. In comparison, food products containing sodium nitrates have such a small amount that they are considered harmless. In addition to the fact that some vegetables contain nitrates naturally, others contain them because of the use of special fertilizers which have nitrates in them.

The Department of National Health and Welfare has regulations which forbid the addition of any additives to baby foods. However, certain products used in the manufacture of baby foods do have a natural content of sodium nitrate. This is especially so in the case of spinach, beets and celery.

In 1972 the federal government conducted an inquiry with the major baby food manufacturers and the results showed that of the food products used by these manufacturers about seven per cent were cured meat products. These include a minimal amount of sodium nitrate; thus the level of sodium nitrate was too low to be considered potentially dangerous. Discussions have been held recently at the federal level with meat industry officials and it is anticipated that because of this hazard a reduction in the level of nitrates permitted by the Food and Drug Act will result.

I understand that proposed regulations will prohibit the use of nitrates in any meat products except a certain number which will

be allowed to contain a minimal amount to prevent the growth of botulism. These will include such products as dry and semi-dry sausage, and slow-cured and specially processed meat products. Frankfurters will not be an exception, I am told.

The federal government has monitored this situation regularly since 1968 when there were some reports of surveys which indicated that nitrosamines caused cancer. It is continuing to do so. I might say, though, it has never been determined that nitrosamines caused cancer in a human being. Because only the federal government has the facilities, the laboratories and the staff to conduct the necessary research we must depend upon its judgment in such matters. I can assure the member it is very much concerned about this particular hazard.

Mr. F. A. Burr (Sandwich-Riverside): A supplementary, Mr. Speaker. Would the minister explain what he meant about the frankfurters not being an exception; an exception to the ban or—

Hon. Mr. Miller: They will not be permitted to have the sodium nitrate. That's what I'm told.

Mr. Burr: As in Norway?

Hon. Mr. Miller: Yes.

Mr. Burr: Thank you.

Mr. Speaker: The hon. member for St. George.

PUBLIC HOUSING IN METRO TORONTO

Mrs. Campbell: I have lost my minister so I guess I'll have to switch to another question. My question is of the Minister of Housing. In view of the serious cutback in the number of units of public housing being produced in Metro Toronto, can the minister tell us how many additional units of rent geared-to-income housing he expects to achieve this year under: 1. The rent supplement programme; and how many additional units under: 2. The integrated community housing programme?

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, first, I'm not too sure and again I challenge the assumption in the question that there's a serious setback in public housing in Metropolitan Toronto. I don't have the figures immediately available.

As the member knows, we recently ran a series of advertisements, which her leader commented upon, for integrated housing. We're waiting for the responses to that, but obviously we won't have any figures until we receive the responses. However, I will be pleased to provide a reply as quickly as possible to the member.

Mr. Sargent: A supplementary in the same area: Bruce McLaughlin, head of McLaughlin Associates, said in the press last night that the red tape in housing is costing $15,000 per house extra. Is this right or wrong?

Hon. Mr. Handleman: I am in no position to challenge Mr. McLaughlin's arithmetic. He's a knowledgeable man in the field. I have been saying for quite some time, without in any way trying to unburden this government of part of the blame, that over the past few years there has been a development of procedural problems which have caused an increase in the price of land. We in our ministry have been trying to set an example to other levels of government to remove those obstacles as quickly as possible.

Mr. R. F. Nixon: Except to undo the mess the Treasurer made of it.

Mr. Sargent: A further supplementary: About a month ago I asked the minister if he would investigate the fact that in the United States they can put a project through in 90 days; has he been down to look at that in the United States yet?

Hon. Mr. Handleman: I can't get away yet.

Mr. Sargent: Pardon me?

Hon. Mr. Handleman: I can't get away.

Mr. Sargent: That is an intelligent answer; he can't get away. We've been two years looking for a housing deal, and they can do it in 90 days in the United States.

Mr. Speaker: Order.

Mr. Sargent: Why the hell doesn't he go down and look at it?

Mr. Speaker: Order. The member for Nickel Belt.

FREE ACCESS TO PROVINCIAL PARKS

Mr. F. Laughren (Nickel Belt): Mr. Speaker, I have a question of the Minister of Natural Resources. In view of the fact that our senior citizens now have free access to our provincial parks, will the minister

consider extending that privilege to those on disability pensions in the Province of Ontario?

Hon. Mr. Bernier: Mr. Speaker, this is a matter we went into in some detail when we granted the privilege of free access to provincial parks to the senior citizens of this province. I might say to the member that these are ongoing studies and we will certainly consider that question as we have done in the past.

Mr. W. Ferrier (Cochrane South): The minister said that last year.

Hon. Mr. Bernier: Hopefully we can come up with a decision.

Mr. Laughren: A supplementary, Mr. Speaker: In view of the fact that's the same kind of response a lot of members got when they wrote to the minister last year, would he give serious consideration to extending that privilege this year?

Hon. Mr. Bernier: Mr. Speaker, I can't give that guarantee at this time.

Mr. Foulds: A supplementary, Mr. Speaker: Would the minister give us the reasons the department decided not to extend the privilege to those on disability pensions?

Hon. Mr. Bernier: Mr. Speaker, it's very difficult, of course, to outline in a few brief moments the reasons for that particular decision.

Mr. Cassidy: Particularly when the minister doesn't know.

Hon. Mr. Bernier: I would be prepared to discuss this during the course of my estimates.

Mr. Speaker: The hon. member for Kitchener.

FUNDING FOR NON-PROFIT ZOOLOGICAL SOCIETIES

Mr. Breithaupt: Mr. Speaker, I have a question of the Minister of Industry and Tourism. Has the minister been able to find any further information concerning the provision of financial assistance to the Upper Canada Zoological Society at Wasaga Beach? Can the minister advise, further, if there are any plans for a general funding policy for the various non-profit zoological societies, so that rate of entry for such places as the new Metropolitan zoo might be lower than otherwise are being planned.

Hon. C. Bennett (Minister of Industry and Tourism): Mr. Speaker, in regard to the first part of the question I am not aware of the application by the zoological organization to the Ontario Development Corp. As I think I explained some weeks ago in this House in response to a question similar to that one, when it is a non-profit organization it does not fall within the terms of reference of ODC, NODC or EODC.

On the second question, grants toward a zoological organization are being given consideration by the Resource field at this time.

Mr. Lewis: Oh, that's positive news. Be nice to them. They are nice people, they have worked very hard.

Mr. Speaker: The hon. member for High Park.

ONTARIO INVESTMENTS IN U.S.

Mr. Shulman: A question of the Treasurer, Mr. Speaker—and I thank him for returning to his seat:

Inasmuch as he managed to blow $14,583,460 last year on time deposits, can he explain to me why he is continuing to make US time deposits this year?

Hon. Mr. White: Mr. Speaker, we don't blow any money, anytime, anywhere. What we do is to try to have a mixed portfolio, probably not unlike the hon. member himself. In the process we win some and we lose some. To single out certain of the losses without paying heed to many of the gains I think is cooking the books. Now, sir, I had occasion to deal with a—

Mr. MacDonald: Does the Treasurer mean he has never done that—giving the good without the bad? He doesn't do that?

Hon. Mr. White: —question not unlike this last fall, at which time I was able to report that we have made, I think, $70 million for the people of this province by certain of these investments. I'll have to look into this particular amount of money, and when I report back to the House I'll deal not just with this loss but with some of our wins.

Mr. Lewis: I am sure.

Mr. Shulman: Supplementary, Mr. Speaker: In view of the fact that all economists seem to agree that the American dollar is weak and it is continuing to fall, both in terms of our money and in terms of the European currencies, can he explain why his

ministry is continuing to buy American currency and make US time deposits?

Hon. Mr. White: I'll be more than happy, Mr. Speaker, to give a full report on these activities one day next week.

Mr. R. F. Nixon: Find out how far we are behind in marks.

Mr. Sargent: In the same area, Mr. Speaker, has the minister ever considered buying a seat on the Toronto Stock Exchange for the government, the same as the State of Massachusetts, which does that in the States? The State of Massachusetts, does it. We would save many millions of dollars in brokerage fees.

Hon. Mr. White: No, but we do appoint a number of directors to the exchange. I think we appoint two.

Mr. Deans: Buy one in Massachusetts.

Hon. Mr. White: Well, why would we?

Hon. A. Grossman (Provincial Secretary for Resources Development): Because Massachusetts does.

Mr. Sargent: We'd save millions of dollars a year.

Mr. Speaker: The hon. member for Perth.

CONSUMERS' ASSOCIATION REQUEST FOR GRANT

Mr. H. Edighoffer (Perth): Mr. Speaker, a question of the Minister of Consumer and Commercial Relations: Has the minister received a brief from the Ontario branch of the Consumers' Association of Canada requesting funding assistance for the Ontario branch?

Hon. Mr. Clement: The consumers' association?

Mr. Edighoffer: The Ontario branch.

Hon. Mr. Clement: Yes, I met with the Ontario branch on, I believe Tuesday or Wednesday of this week. Representations were made at that time. They expressed certain hopes to me of opening a permanent-type office. They have a temporary office over in the Jarvis St. area.

I had a discussion with them of approximately an hour or 1½ hours duration and I undertook at that time to process their application through the Ministry of Community and Social Services, where these grant applications must go. I may add that I also indicated to them I would support their application in view of the contribution that they've made to consumer activities in this province.

Mr. Speaker: The hon. member for Wentworth.

OIL PRICES

Mr. Deans: Mr. Speaker, I have a question of the Minister of Energy.

Is the Minister of Energy in a position to tell us what action he intends to take to ensure there will be no increase beyond that which was indicated at the time of the agreement between the federal and provincial governments with regard to the petroleum agreement that was signed? Will there be some action taken by his ministry to ensure that the industry will not be able to charge in excess of the 7.1 per cent or 7.5 per cent indicated some two months ago; and if so what will the action be?

Hon. W. D. McKeough (Minister of Energy): Mr. Speaker, no action is contemplated by my ministry and I don't think any action is contemplated by the Ministry of Consumer and Commercial Relations.

Mr. Cassidy: And the Treasurer keeps on passing the buck to him.

Hon. Mr. McKeough: Presumably the policing, if that is the word, is being done by the Department of Energy, Mines and Resources and by the National Energy Board.

Mr. Lewis: No; that is unreal.

Mr. Deans: Supplementary question: Does the minister realize that the federal minister responsible indicated yesterday there would likely be charges up to and perhaps in excess of nine cents per gallon, which is considerably more than what was indicated at the time of the signing of the agreement? The people of the Province of Ontario are going to have to carry the burden of much of that additional cost. Much of it is going into the pockets of companies which are already lucrative and well satisfied in terms of profits. What is the minister going to do to ensure that the consumers of Ontario are not going to be ripped off?

Hon. Mr. McKeough: The hon. member will see that the member for York South also indicated that the federal authorities felt, in their judgement and after their studies,

certain increases beyond the $6.50 price were justified, and apparently have been justified to him. If the member is unhappy with that—

Mr. Deans: I am unhappy.

Hon. Mr. McKeough: Then I can only say he should have said to his federal party that it kept that government in office for 18 months too long.

Mr. MacDonald: Oh, the minister is a cop-out. The minister is copping out and he is going off on a tangent.

Mr. R. F. Nixon: A supplementary: The minister is aware, of course, and it has been raised previously in the Legislature, that other provinces, whether they were happy or not with the decision taken by the government of Canada have used their undoubted constitutional authority to make decisions on their own. Why would this minister, who perhaps doesn't always agree with the hon. member for York South on everything that he says, not take some of this authority and use it in this province for the good of our consumers?

Hon. Mr. McKeough: Mr. Speaker, we discussed this at some length during my estimates. I am sorry the Leader of the Opposition was otherwise detained and didn't hear, I thought, a very interesting debate, at which time I set forth the views of the government on the matter of oil controls and oil pricing. We are not ready to accept that position at this moment. We happen to believe we are in a highly inflationary period.

Mr. MacDonald: And is the minister not going to do anything about it?

Hon. Mr. McKeough: We are not going to put price controls on oil today and price controls on rent tomorrow.

Interjections by hon. members.

Hon. Mr. McKeough: As a government we have responded generously, in the budget, to look after those people who are being hurt the most in inflationary times.

Mr. Deans: Not so.

Hon. Mr. McKeough: Beyond that, at this moment the government is not prepared to move into the area of wage and price controls, selectively or generally.

Mr. Sargent: Stanfield is going to put some controls on.

Mr. MacDonald: This government is like the federal Liberals.

Mr. Lewis: A supplementary, if I may, Mr. Speaker: Since the minister responsible specifically delayed his budget because of the announcement of the Premier and the Prime Minister and adapted the budget to that announcement, based on the understanding that it would be seven cents a gallon not nine cents a gallon and more, what is the minister now going to do to adjust his financial measures to protect the consumers of Ontario against a total illegitimate gouging of at least an additional $66 million, and probably much higher in northern Ontario?

Hon. Mr. McKeough: Mr. Speaker, I would say this, we did not delay the budget to my knowledge.

Mr. R. F. Nixon: The government said it did.

Interjections by hon. members.

Mr. Lewis: Yes; the government announced it did on that principle; and it was based on those assumptions.

Hon. Mr. McKeough: I would say this, Mr. Speaker, that there will be other price increases during the course of this highly inflationary year. The government will take those matters into consideration from time to time and adjust certain things. But I would say this, that our budget still stands as being the most generous to those people in this country who need help.

Mr. Lewis: Oh, nonsense! The government never took this into account.

Hon. Mr. McKeough: It is a lot more generous than the member's socialist friends in British Columbia have proven to be.

Mr. Lewis: That is utter nonsense.

Mr. MacDonald: Every time the government has a new idea it picks it up from the socialists.

Mr. Lewis: If it wasn't for the government of BC, this government would be bankrupt.

Mr. Speaker: The hon. member for Kitchener.

RETAIL SALES TAX ON PHOTOGRAPHIC FILM

Mr. Breithaupt: I have a question of the Minister of Revenue, Mr. Speaker. Can the minister explain or possibly justify the directive in the retail sales tax bulletin 1974-2,

which states that photographic film is not part of a photographer's finished product and is therefore subject to sales tax. Does the minister not understand that this regulation results in double taxation for a piece of film; most obviously in the case of a transparency or a movie film which is prepared for a customer, but also in the case of a negative which is used to prepare a print?

Hon. A. K. Meen (Minister of Revenue): Mr. Speaker, I recognize there is some difficulty involved in the definition of this kind of tax and its application to film. I've had my staff looking at this and would hope before long I may be able to have some clarification of the way in which the tax is applied to film.

In many cases these negatives are turning up as 35mm transparencies and are the finished product, one might say. In other cases they are used in the literal sense as the negative for the production of prints; therefore they do not finish up as the final product provided to the customer as, for example, in Kodacolor film.

As I say we are looking into that and I would hope that in a while I will be able to have some clarification of the way in which the tax is applied.

Mr. Shulman: A supplementary, Mr. Speaker.

Mr. Speaker: The hon. member, with a supplementary.

Mr. Shulman: Much of this has always been exempt; what brainwave prompted the minister to change his mind last week?

Hon. Mr. Meen: Film has been exempt and it had been thought it would be appropriate to apply it to film when it did not turn up as the finished product. As I say, there is this difficulty with the two types of finished products we are talking about, when the film winds up as the actual article being delivered. I'm looking into it and I will have an answer in due course.

Mr. Deans: That certainly can't bring in much revenue.

Mr. Breithaupt: Mr. Speaker, surely, as the member for Wentworth has said in his interjection it cannot bring in very much revenue. It might be worthwhile and far easier to deal with the matter by exempting it than to have this confusion in the photographic business.

Mr. Speaker: The hon. member for Port Arthur is next.

CLOSING OF ARTS COUNCIL'S THUNDER BAY OFFICE

Mr. Foulds: Mr. Speaker, a question of the Minister of Colleges and Universities. In view of two recent press releases by the Ontario Arts Council, one of April 11 and one of April 16, which indicate a 35 per cent increase in the budget to be spent on cultural affairs and an announcement to decentralize cultural resources in Ontario, how does he explain the decision by the Ontario Arts Council to close its regional office in Thunder Bay? Does he not think this is a cutback for cultural activities in northwestern Ontario?

Hon. J. A. C. Auld (Minister of Colleges and Universities): Mr. Speaker, the closing of the office, which I believe had two people in it, is, as I understand it, part of a reorganization within the ministry which will deal with museums, libraries and the whole cultural affairs division. While I can't give the hon. member the details of the new plan at the moment I hope to be able to announce them in the not too distant future.

Mr. Foulds: A supplementary, Mr. Speaker: I'd be glad to fill the minister in on the details of the new plan, having talked to the officials at the Ontario Arts Council. Does he not understand that the project in Thunder Bay had been going for three years and that there will be a substantial reduction in service to the people who occupy 58 per cent of the land mass of Ontario, as we do in northwestern Ontario, if he does not have a permanent staff person there?

Hon. Mr. Auld: Mr. Speaker, my understanding is we will be able to continue the level of service but we will be able to make certain economies in our field organizations, which are being reflected in the further money going to the organizations we support.

Mr. Foulds: A supplementary, Mr. Speaker: Does the minister not understand that he is thereby centralizing the service, not decentralizing it?

Mr. Cassidy: That's right.

Mr. Foulds: He is concentrating on paternalistic programmes which go out from Toronto to the rest of the province instead of developing the culture within the regions of the province.

Mr. Cassidy: That's right.

Mr. Lewis: That's a good point.

Hon. Mr. Auld: No, Mr. Speaker.

Mr. MacDonald: He obviously doesn't understand.

Interjections by hon. members.

Mr. Speaker: The member for Grey-Bruce.

REGIONAL GOVERNMENT PROGRAMME

Mr. Sargent: I have a question of the parliamentary assistant — the member for Grenville-Dundas (Mr. Irvine), I don't know what his title is.

Mr. Lewis: He is a full cabinet minister.

Mr. Deans: He is a Minister without Portfolio.

Mr. Sargent: The Minister without Portfolio, then. Mr. Speaker, he made a very able presentation in Port Elgin but in view of the reception there, which indicates he is going about the province blackmailing the municipalities into accepting restructured or regional government, does he have a systematic programme to go about the province clobbering them, saying, "If you don't come in we will cut your grants down"? What is his programme across Ontario at this point?

Hon. G. A. Kerr: (Solicitor General): Shame.

Mr. Breithaupt: I can smell the tar.

Hon. D. R. Irvine (Minister without Portfolio): Mr. Speaker, I think the member has not correctly interpreted the situation as it is. What we do is go around the province telling those who want to restructure that we'll help them if they wish. We are not saying they have to; we are not saying if they don't they'll suffer a decrease in grants. We are saying they will get the same grants or they will get more if the province, from year to year, as it has in the past, increases its grants to municipalities.

Mr. Breithaupt: It indicates the rate of increase.

Hon. Mr. Irvine: This particular year we increased grants to all municipalities. We may do it again next year.

Mr. Sargent: Mr. Speaker, in the area of business we call this price-fixing. It's not ethical. You can't take a person's money—

Mr. Speaker: Well, what is the question?

Mr. Sargent: —to bribe another person with his money. It's their own money the government is using.

Mr. Speaker: Question!

Mr. Sargent: And I think it is unethical.

Mr. R. F. Nixon: A supplementary.

Mr. Speaker: It is the turn of the New Democratic Party if they have a question.

Mr. R. F. Nixon: A supplementary, Mr. Speaker: I'd like to ask the minister if he is prepared, since he is putting forward the alternatives to the municipalities which may opt for a regional style of government or a reformed county, if he will table in this Legislature a definitive statement from his point of view as to how the costs of regional government have changed, compared with the costs of the municipalities that have continued without the advantages, in his point of view, of this new type of government? Surely this is the only way that he can counter the charges that have come from me and others, that the costs of regional government—

Mr. Speaker: Question! Question!

Mr. R. F. Nixon: —are unconscionably high, and in fact out of control.

Hon. Mr. Irvine: Mr. Speaker, I would be delighted to answer the hon. Leader of the Opposition because I have been concerned, as I think many members have been concerned, about the statements which he has made recently—or he has been reported to have made.

Mr. R. F. Nixon: I have made them. All the minister has got to do is table his information.

Hon. Mr. Irvine: What I have said recently, and what I would like to say to the House, is that the hon. Leader of the Opposition said that in Ottawa-Carleton the cost of running the cities, villages and townships was just under $60 million in the last year before regional government and that this cost increased by 36 per cent in the following year to $81.3 million.

Mr. Foulds: This is a press release he has issued, Mr. Speaker.

Hon. Mr. Irvine: Well, Mr. Speaker, those figures are not correct. The $60-million figure was just $65.2 million.

Mr. Ruston: We read that in the press reports—and we didn't believe it.

Hon. Mr. Irvine: And the comparable figure after regionalization was not $81.3 million but $74.3 million. The increase therefore was not 36 per cent but 14 per cent.

Hon. Mr. Handleman: And a 10 per cent increase in population.

Hon. Mr. Irvine: There's quite a difference.

Hon. Mr. McKeough: Honest Bob. Honest Bob.

Hon. Mr. Handleman: There was an increase in population, too.

Hon. Mr. Irvine: I'd also like to say, in regard to the statements of the hon. Leader of the Opposition concerning the regional municipality of Niagara—

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Lewis: Is the hon. member doing this systematically? He will have to start exercising more caution.

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. Irvine: The hon. member has said that there was a cost increase of 45 per cent in the regional municipality of Niagara, from $39 million before regional government to $56 million during the region's first year. The costs, though, were $43.9 million to $56.5 million, or 29 per cent and not 45 per cent. Let the hon. member try to make sure that he has the figures to prove his statements.

An hon. member: That's right.

Hon. Mr. McKeough: Honest Bob.

Mr. R. F. Nixon: Does the minister want to say that a few more times? Go ahead.

An hon. member: Everyone knows that.

Mr. Sargent: We know that.

Mr. Speaker: Order.

Interjection by an hon. member.

Mr. Speaker: Order, please. I regret that it is not proper for a minister of the Crown to refer to another member of the House as being dishonest.

Hon. Mr. McKeough: Oh, I didn't—

Mr. Speaker: I would ask the hon. member to withdraw that.

Hon. Mr. McKeough: I will withdraw it.

Mr. Sargent: And look who is saying it!

Mr. R. F. Nixon: Are you asking him to withdraw the statement that I am honest? I object.

Interjections by hon. members.

Mr. R. F. Nixon: I would like, however, to ask a supplementary question of the minister. I would ask him to understand that the figures we have put forward are based on all of the information that has been made available from the Treasury, particularly during the days when it was so seriously mishandled by the present Minister of Energy—

Interjections by hon. members.

Mr. R. F. Nixon: —who sits back and nurses his paunch and has nothing to contribute to the debate here—

Mr. Lewis: Nurses his what? What is he nursing?

Mr. R. F. Nixon: So let's put it this way, I would ask the minister to table the specific information he has here so we can examine it. Just because the minister says so, means that he is continuing to put that complexion on regional government which it has been the policy of the government to put on since the days of the member for Chatham-Kent (Mr. McKeough) that the advantages of scale are going to save plenty.

Hon. Mr. Irvine: This is really a statement.

Mr. Speaker: Order, order.

Mr. R. F. Nixon: It is far from that. The government's policies are wrong and they are costly.

Mr. Speaker: In view of the fact that really was a statement and our time has been exceeded, there can be no response.

Mr. Lewis: On a point of order, can the minister table the basis for his figures in the House?

Mr. Speaker: I regret that's not a point of order.

Before we proceed with the ordinary business of the House, I'd like to take this opportunity again to inform the hon. members that the group of pages who have been serving us so well for the last several weeks are serving their last day today.

Mr. Cassidy: They have been breaking bones in our service.

Mr. Speaker: I want to say that I, personally, am very proud of our pages' programme in this Legislature and this group is no exception.

Mr. Lewis: Have you thought of adding danger pay?

Mr. Speaker: We have good people who are looking after these young people who served with us for several weeks during the session of the Legislature. I want to commend them for the good job they do in training them and for the responsibility they take in looking after them. As is usual on the last day of the term of office of the pages, I will now read into the record the names of the pages, the girls and boys, and their respective home towns. This, of course, will appear in Hansard; and we send them a copy of Hansard later on:

Brock Bundy, Toronto; Coleen Egerton, Weston; Sharon Fisher, Weston; Jamie Gordon, Cobourg; Laurel Gourlay, Scarborough; Lori Hall, Scarborough; Tom Howell, Downsview; Leonard Kalyn, Willowdale; Evan Kelly, Sault Ste Marie; Kevin Kirkpatrick, Hanover; Peter Klopchic, Toronto; Ed Nentwig, Cambridge; Joey Raftis, Burlington; Susan Rathbun, Scarborough; Robert Reid, Oakville; Debbie Rhodes, Sault Ste. Marie; Lorne Shelson, Downsview; Nancy Taggart, London; Deirdre Thomson, Mississauga; and Adam Vaughan, Toronto.

Mr. Sargent: All budding Liberals.

Interjections by hon. members.

Mr. Foulds: Not after seeing the member.

Hon. Mr. Handleman: Before they saw him they might have been.

Mr. R. F. Nixon: Don't be afraid to speak up over there.

Hon. Mr. McKeough: The greatest conversion programme of all time. They come in Liberals and go out Tories.

Mr. Speaker: I might say that all these pages prepare an essay on their reactions to the proceedings in the Legislature. I'm sure the hon. member for Grey-Bruce would be interested in reading some of them, but they're confidential.

Presenting reports.

Motions.

Introduction of bills.

ONTARIO BUILDING CODE ACT

Hon. Mr. Clement moves first reading of bill intituled, An Act to provide for an Ontario Building Code.

Motion agreed to; first reading of the bill.

HOUSING DEVELOPMENT ACT

Hon. Mr. Handleman moves first reading of bill intituled, An Act to amend the Housing Development Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Handleman: Mr. Speaker, the amendments to the Housing Development Act provided for in this bill are designed principally to broaden the base at both the provincial and local levels for the provision, improvement and renewal of housing accommodation.

Included are amendments extending the authority of the province to provide financial assistance in respect of any building development, including assistance to owner-occupants. Section 3 of the bill provides the legislative authority for implementation of the Ontario home renewal programme, which was announced earlier this year.

Section 4 of the bill amends section 6 of the Act to extend the authority for the making of payments in lieu of taxes to any lands acquired for any housing project or building development.

All municipalities are authorized by section 5 to incorporate non-profit housing corporations and in so doing secure the benefit of the province's new community-sponsored housing programme and the federal aid which is available under the 1973 amendments to the National Housing Act.

Finally, I would mention that under section 7 of the bill, the provisions of the Act authorizing municipalities to acquire lands for housing projects are recast to afford the municipalities much more flexibility in performing this function.

PROFESSIONAL FUND RAISING CORPORATIONS ACT

Mr. B. Newman moves first reading of bill intituled An Act to control Professional Fund Raising Corporations.

Motion agreed to; first reading of the bill.

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, the purpose of the bill is to pro-

vide for the licensing of companies and the bonding of personnel and to require the company to file a financial statement with the Minister of Consumer and Commercial Relations after each fund-raising event and to limit by regulation the amounts which could be charged over and above direct expenses. It is not the intention to interfere with local Red Feather, United Appeal, or similar drives where much of the organizational work is of a voluntary nature and expenses incurred are a very small proportion of the total proceeds.

MUNICIPAL ELECTIONS ACT

Hon. Mr. Irvine moves first reading of bill intituled, An Act to amend the Municipal Elections Act, 1972.

Motion agreed to; first reading of the bill.

Hon. Mr. Irvine: Mr. Speaker, this bill provides for a number of changes in the administration of municipal elections. Many of these changes have been requested by municipalities, municipal associations and have also been discussed with the municipal liaison committee. In keeping with our determination to give local councils increased authority to manage their affairs, ministerial approval will no longer be required before a municipal council authorizes the use of voting machines or counts its ballots. Councils must hold one advance poll on Saturday, nine days before the polling day, but the legislation will enable them to hold one or more additional advance polls, which in their opinion may be necessary to ensure that every elector has the opportunity to vote at a municipal election.

The bill also removes certain restrictions in ballot printing requirements in proxy voting. Another amendment clarifies the rules and procedures for holding by-elections.

At the request of the judiciary, we are also amending the Act to disqualify all judges from voting in municipal elections.

I will be taking the bill through the Legislature for processing.

Mr. Speaker: Any further bills?

Mr. J. R. Smith (Hamilton Mountain): Mr. Speaker, I would like, through you, to introduce to the members of the House and welcome to the assembly a group of 20 grade 13 students from Hillfield-Strathallan College of Hamilton and their master, Mr. G. White.

Mr. Speaker: Orders of the day.

Clerk of the House: The 18th order, House in committee of supply.

ESTIMATES, MINISTRY OF GOVERNMENT SERVICES

(*continued*)

Mr. Chairman: The estimates of the Ministry of Government Services—I believe when we rose last, the minister was in the process of replying to the opening comments of the other parties. Does he wish to continue?

Hon. J. Snow (Minister of Government Services): Yes, Mr. Chairman, when the hour of 10:30 came upon us the other evening, I was in the midst of replying to the two leadoff speakers for the opposition parties.

I believe I had almost completed, Mr. Chairman, my reply to the Liberal critic, the member for Essex South (Mr. Paterson), but there was one piece of information I was not able to give him regarding a lease on the Driftwood Restaurant on Bay St. This, Mr. Chairman, was an existing lease when we purchased the building and had options to renew, and that lease is still in existence. It comes up for renewal on Jan. 14, 1975. After our purchase of the building, the lessee, through his solicitor, requested our permission, as the landlord, for him to apply for a liquor licence. He did so and I believe the licence was granted. I believe that covers that particular question.

Mr. Chairman, also replying to the member for Wentworth regarding his comments pertaining to my estimates, I believe one of the first pieces of information he requested was regarding the Niagara Escarpment Commission and the parkway belt pertaining to land purchases.

Mr. Chairman, as I am sure the member realizes, this ministry purchases land for the Niagara Escarpment Commission, but does not carry the funds in our budget for it. These funds are carried by the Minister of Natural Resources (Mr. Bernier) and we purchase on requisition of that ministry.

But to date, Mr. Chairman, for the member's information, we have purchased 271 parcels of land totalling 32,560 acres at a total cost of $10,639,900. Now, this includes land only in the escarpment and only the land bought directly for the Ministry of Natural Resources.

Mr. I. Deans (Wentworth): Does the minister carry out the negotiations or does his ministry just simply pay out the money?

Hon. Mr. Snow: We do the complete appraisal and negotiations. We are the purchasing agent on behalf of that ministry for the land. But I would point out, Mr. Chairman, that the figures I have just quoted are only for the direct purchase of land. They do not include land purchased by the conservation authorities in the escarpment. And from the limited information I have, the conservation authorities have directly purchased approximately an equal amount of land. And, of course, 75 per cent of that is paid for, I believe, by the Ministry of Natural Resources.

Regarding the parkway belt, Mr. Chairman, of course we have not purchased to date any land within the parkway belt although preparations are being made for acquisitions of land later on and money, certain funds, are included within my estimates for acquisitions in the parkway belt.

The member made some comment regarding the press clipping service. Mr. Chairman, this service has been operated from my ministry for a number of years. The service was dealt with in the recommendations of the Camp report, No. 2, to some degree. The decision was made by Management Board that we should discontinue the operation of this service for ministries, agencies, boards and commissions, and continue to operate a press clipping service only for the Legislature, caucus offices, the Lieutenant Governor, the office of the Premier and the office of the Speaker. This has been carried out and my ministry is continuing to operate this service until such time as the recommendations of the Commission on the Legislature are dealt with.

The member mentioned the construction of buildings for boards or commissions outside the government ministries, such as the Workmen's Compensation Board and Ontario Hydro. Mr. Chairman, my ministry is responsible for the provision of accommodation for all areas within the government and we have supplied accommodation for certain boards and commissions, such as renting office space for Ontario Housing, but not for all boards and commissions. This would be a matter of government policy, Mr. Chairman, and if my ministry were requested by the agencies to take over this responsibility, we would certainly be prepared to do so. Of course, we would be prepared to do so if instructed, if this were esatblished as government policy.

The member did mention the public service superannuation fund and made some comments regarding escalation clauses. I would point out, Mr. Chairman, I believe it was about a year ago that an escalation was granted to, I believe, both the public service superannuation fund and the teachers' superannuation fund of two per cent and four per cent, depending on the year of retirement.

Mr. Deans: That was an adjustment, not an escalation. I am talking about an ongoing process.

Hon. Mr. Snow: All right. I don't care whether you call it an adjustment or an escalation. As far as I am concerned it is an increase. I am not going to argue over words with the member.

This is a matter under consideration, I believe, by government at the present time. There are other amendments being considered to the Public Service Superannuation Act and I expect to be bringing forward amendments to that Act before the end of this session.

What really confused me, Mr. Chairman, was the member's comments and accusations that I was carrying on some kind of a running battle with Mr. Speaker, and that I was in some way contributing to the—

Mr. Deans: I said you were a bully. You are.

Hon. Mr. Snow: —deterioration of Mr. Speaker's health. How the member can make that kind of accusation I don't know. I assure you that Mr. Speaker and I are on the very best of terms and, I think, co-operate very well in supplying the necessary services to the members of the Legislature. There is certainly no conflict of any role of Mr. Speaker and my ministry. There were certain recommendations made in the Commission on the Legislature report No. 2. It is not my responsibility to implement them, Mr. Chairman, it's a matter of government policy, which will be announced in due course.

But taking into consideration the recommendations—and if the hon. member would check the estimates, he would find that the estimates of Mr. Speaker now are laid out completely separately from the estimates of my ministry—the legislative services I think he was referring to mainly are now in the estimates of Mr. Speaker and not in the estimates of my ministry. There is a total of $6.5 million, I believe, in the Speaker's estimates for this type of operation. It used to be supplied through MGS.

While none of the recommendations of that report, to my knowledge, has been dealt with and announced as government policy the change was made in the estimates and my

ministry is continuing to do the actual bookkeeping for the Speaker's office and the caucus offices, and our building maintenance branch is continuing to supply the backup services for the operation of this building.

I agree that the Camp report recommended something different than that. I can only give you my personal opinion that I don't think it's necessary. I cannot see any necessity to establish a new group of accountants and so on, to separate a service that is strictly supplying a backup service and has nothing to do with policy. I agree this should not be the responsibility of me as a minister or of my ministry officials, but we have the expertise to carry out that service and the maintenance and operation of the building. I don't think it would be a good use of the taxpayers' dollars to divide these up and operate them separately under the Speaker's office.

I think that answers the comments made by the two critics, Mr. Chairman, and if they wish to proceed, I'm prepared now to go through the estimates in detail.

Mr. Chairman: We'll call vote 701.

On vote 701:

Mr. Deans: Yes, Mr. Chairman—

Mr. Chairman: Before we start I would think we agree that the four items could be considered together; in other words, the vote as a whole.

Mr. Deans: No, I have no objection. I don't care how you handle it.

Mr. Chairman: All right. On the first vote then, vote 701.

Mr. Deans: Right. I want to spend a moment on some of the points made by the minister.

To begin with, the conflict between the Speaker's office and the Ministry of Government Services is of much more concern to me than perhaps the minister realizes. I didn't for a moment really think that the minister was beating up the Speaker. What I am concerned about is that while the financial transfer appears to have been made, the transfer of authority hasn't been made. If the Speaker's office is to operate a non-partisan legislative building and services for members, then the transfer of authority has to be made to the Speaker's office. And the Speaker can only have any authority in fact if he has both the staff and the backing of the government and the Legislature to ensure that the work can be done in the kind of non-partisan way that it must be done.

There's no point in saying that the dollars—$5.5 million, I think, or perhaps close to $6 million—have been transferred if all that means is that the Speaker's estimates have been enlarged but his authority hasn't been enlarged at all. We're not talking about this particular Speaker or any other particular Speaker. We're talking about the office of the Speaker and the role of the Legislature. If there is to be any non-partisanship at all in this area, if there is to be any sense that the Legislature is operated for the members and by the members on behalf of the people of Ontario, then there has to be a separation of this building and the facilities of members and for members from the government ministries.

I can well appreciate that the government and the minister don't want to have a duplication of expenditures, and that in fact accounts might well be handled through the accounts branch of the Ministry of Government Services, or for that matter that the provision of physical services might well still be handled through a branch of Government Services. The question that I am concerned about is, where are the decisions being made? Who decides what will be done? Who decides what the best use of the legislative building will be? Who decides on the allocation of space, for example? Who decides on the provision of services for members? Who makes those kind of decisions is important. It's equally important whether it be this minister and this particular Speaker or whether it be in some future time a minister who is not even in the House at this stage, and another entirely different Speaker.

We have to establish, in keeping with the principles that are upheld in most parliamentary systems of this kind, the principle that the legislative building and all of the services to members are provided in as non-partisan a way as can possibly be accomplished. I am simply saying that until such time as the Speaker has both the staff and the authority to proceed with whatever he thinks is best on behalf of the members, then we will always be subject to the government's decisions, the decision of cabinet, the decision of the Management Board, the decision of the minister, who may have some influence on what should or should not be done.

I don't consider it to be done intentionally to hurt anybody. I am not suggesting that for a moment. I am simply saying that as

the Legislature grows, as we perform more and more of the duties of legislators in the House and in the building and as the needs of the community grow, and as we have more and more responsibility in the Legislature as legislators, it becomes vitally important that the provision of all of the backup that is required not be done by the government, whether that government be a Tory government or a Liberal government or an NDP government, it makes no difference. Those services have to be provided because they are needed and not because it is politically wise or unwise to do something at a given time.

That is the reason why I am saying to you that the recommendations of Camp in the main were very sound and solid recommendations in terms of dealing with the provision of necessary support services for members. I am urging you, as the minister who may well exercise some authority, to look at it from that point of view and to consider whether we can somehow or other make an impact on the Management Board or the cabinet in terms of coming to the kinds of conclusions that will bring about a revitalization in the first place of the building and legislators, and also to bring it into keeping with modern times.

I think that if the members look around them they'll find that in Ottawa there is no question that the hon. Mr. Lamoureux exercises total and complete authority over the building, environs and the affairs of the members. And he does so very impartially, and he is respected by everyone.

I suggest to the minister that the Speaker of the moment is equally respected by the people of this House, and that those on this side, certainly, trust him to exercise his judgement as impartially as one man possibly can. Therefore we are prepared to vest in him a great deal of authority and responsibility, and I think if you were on this side you might feel the same way. And I suggest to you that it ought to be taken out of the ministry as much as possible. If it's a matter of requisitioning some help to do something, then, okay, you don't have to have two men doing the same job, one sitting idle. But I do think that the total responsibility for the operations of the Legislature has to be with the Speaker.

I want to also mention a word to you again about one point I raised during the leadoff. I am not satisfied at all with the way government agencies and boards handle their business outside. I am satisfied with the way they handle their ongoing business in the main, but I'm not satisfied that this ministry should have to wait until it is asked by them for assistance in such things as the development and building of head offices and major development programmes. It seems to me that these boards incur debts and obligations which are ultimately the responsibility of the Province of Ontario. And if they are to be the responsibility of the Province of Ontario, whether directly or indirectly through the guaranteeing of the moneys, then the responsibility with regard to what they intend to do has to rest with one of the ministers.

It seems appropriate that maybe the responsibility for their functioning rests with a particular minister. In the case of the Workmen's Compensation Board, it makes sense that the Minister of Labour should be responsible for what the WCB does on a day-to-day basis. Or that the Minister of Energy is perhaps responsible, to some extent, for what Ontario Hydro does on a day-to-day basis with regard to the provision of hydro and the setting of rates and whatever. But in terms of the development of public buildings there is no point in having such a duplication. It should be a responsibility of the Ministry of Government Services.

We wouldn't have had the inquiry into the development of the Hydro building had the Ministry of Government Services had the responsibility in the first place to ensure that that building were developed properly. If there had been the responsibility in government, on this ministry, to investigate and to determine the necessity for, the cost of and the manner of procedure with the building of a new head office building for Hydro, we wouldn't have been sitting all last summer trying to find out how the thing progressed and what it was that brought it about.

The same thing can be said of the Workmen's Compensation Board building. As the minister can recall I'm sure, we sat for many, many weeks looking at a number of aspects of WCB, but one of them was certainly the provision of a new head office building. And because we didn't have the expertise we quite frankly were hoodwinked just a little by the presentations of WCB before the committee.

It is necessary, in my opinion, for this minister and this ministry to have the total responsibility for the approval of the acquisition of land and the final development of any project of the type that I am talking about now — the Niagara Parks Commission, the Workmen's Compensation Board, the Ontario Hydro. Or it could be the OHIP office or whatever—I don't care. But if some board

or commission makes a decision that they need to build a new office building in downtown Toronto, I'm suggesting that it should be done only after this ministry has had an opportunity to evaluate the need, to evaluate the cost, to evaluate the programme, to determine whether or not it is properly located and to decide whether somewhere in this great labyrinth of government offices there aren't facilities already available that could be used. Or perhaps there is a tradeoff somewhere along the way.

I'm just not satisfied at all with the present manner of operation and I suggest if the minister wants to expand his empire, that's where he should be expanding it. Give a little bit to the Speaker, because the legislative building is different, and then take a look at exercising some kind of control over the development of other government buildings by other than the government itself. I think it's an absolute necessity and I urge the minister to do it.

I want to talk about a few other things and maybe someone will want to talk about this particular point.

Mr. Chairman: Well, I don't want to get into details on this because it comes in vote 702, provision of accommodation. It's general policy.

Mr. Deans: You know, Mr. Chairman, that I certainly wouldn't do it over and over and over; having done it once, I wouldn't do it again.

Mr. Chairman: Any further comments on 701 then?

Mr. J. A. Renwick (Riverdale): Mr. Chairman, I would like a little bit of guidance, if I could.

Mr. Chairman: Just a moment, please. Did the minister wish to reply to the member?

Hon. Mr. Snow: I think it best, Mr. Chairman, if I reply to each individual speaker rather than go on for days. Regarding the Camp report, Mr. Chairman, I have already said that the report has been received by the Legislature and is being considered. I believe the members know that the responsibility of implementing or not implementing the recommendations of the report are not the responsibility of my ministry.

Mr. P. D. Lawlor (Lakeshore): But the minister does have the odd word to say.

Hon. Mr. Snow: I guess I certainly will share with my colleagues in establishing a policy regarding that. I think many of the Camp report recommendations are excellent and should be implemented, and probably will be.

I am concerned about duplication of services. The member states that this legislative building should be completely separated from any other operation. This cannot be done from an operational standpoint. The heat and the hydro and everything for this building comes from the central complex. So one doesn't just chop those lines off and separate this building.

Mr. Deans: I understand that.

Hon. Mr. Snow: That is the point that I am arguing—the maintenance. We don't want to have the Speaker hiring a bunch of electricians and plumbers to maintain this building when we already have them. There is no conflict, to my knowledge, as far as the authority is concerned in that area. But as for the accounting procedures and the members' services recommended by the Camp report, I can't implement those until there is a decision of government policy and of this Legislature to implement those services.

As the member knows, decisions have been made to increase allowances to caucuses and so on. When these decisions were made they were immediately implemented by my staff and that money was made available last year when it was in my budget. That is my only concern. Also, this building is not totally assigned to the Legislature. The Premier's office happens to be within this building. The Lieutenant Governor's office happens to be within this building. The three resource secretariats happen to be within this building.

Mr. Deans: I understand the problems, believe me.

Hon. Mr. Snow: Those are divisions of government so there has to be some area worked out to accommodate both. I don't think the hon. member is suggesting that the Premier's office should be located anywhere else than within this building. Maybe he is suggesting this?

Mr. Deans: I am not suggesting that, I am simply saying that the Speaker should have the authority to decide.

Hon. Mr. Snow: In any case, I am sure this will be dealt with in the very near future and it is really not a part of the consideration of these estimates. It is some other area of responsibility.

Regarding the member's comments relating to the Hydro building and the Workmen's

Compensation building and the great degree of confidence that he appears to show in my staff by stating that if we had built these buildings there would not have been any need for the two inquiries, I appreciate those remarks. I almost said it myself a moment ago but I am sure they wouldn't have been as meaningful if I had put them on the record as having the member do so.

Again, as you know, these commissions report through other ministries. They don't report to me and I have no authority to say they must buy their furniture through Government Services or they must buy their land or they must buy their buildings. It is government policy that basically the ministries of this government do buy their land through Government Services with some exceptions.

The Ministry of Transportation and Communications has its own acquisition team. There are many reasons for this. MTC is buying narrow strips of land for road widening. The engineers change the grade of the highway and all of a sudden they need to get another 10 ft of land; or maybe there is a building in the way and they can change the alignment or change the grade and do not need that building. I think there is good reason for Transportation and Communications having at least a portion of the acquisition responsibility for its rights of way.

When it comes to office buildings for Transportation and Communications or sites for those office buildings or sites for the patrol yards, we generally buy them but not the rights of way.

Mr. Dean: But that is a ministry. I am talking more about those which are not ministries.

Hon. Mr. Snow: As I said earlier, Mr. Chairman, we are certainly prepared to supply this service—

An hon. member: If you are required, not prepared.

Hon. Mr. Snow: —but I am not in the position of implementing any constraints on these commissions by saying they have to obtain their services through us. Hydro, of course, has a tremendous acquisition programme — land acquisition; rights of way; building dams; building substations—

Mr. Deans: You are not kidding.

Hon. Mr. Snow: —and transformer pads and this type of thing, and also their construction yards throughout the province; we could certainly build them. We build all the patrol yards, or most of them, for T and C. We could do them for Hydro but there would have to be a change in government policy to implement and instruct that the responsibility be transferred to this ministry. If that were the case, I am sure we would handle it in the same efficient manner as we handle the other accommodation needs of the province.

I might say, Mr. Chairman, that I have written to the chairman of the Workmen's Compensation Board suggesting that the services of my ministry are available to the board, especially as it relates to, say, regional offices for the Workmen's Compensation Board. If we are building a new consolidated office building in Thunder Bay, or in Sudbury, or in Ottawa, or in London, it seems to me to make a great deal of sense—although WCB funds come from the employers and not from taxes, but we all realize they are very closely connected with government —that the WCB office in Sudbury should be part of the new Ontario government building there. We have suggested this and we are prepared to supply them with space in the same way as we do Ontario Housing. We supply space to Ontario Housing and we charge them rent for it on the chargeback principle because they are a separate bookkeeping entity. We can do this for WCB, we can do it for Hydro, we can do it for any office, so I think that answers the question.

Mr. Chairman: Any general policy comments on 701?

Mr. Renwick: I need a little bit of guidance, Mr. Chairman. The minister may recall that he and I exchanged correspondence about the—what was it called?—the student field trip programme and booklet. I don't know whether you recall that a couple of years ago you sent each of the members a set of documents used for the student field trip programmes? I wanted to know whether this is the vote where this should be dealt with or where should I deal with that. I am quite happy to deal with it any time you say.

Mr. Chairman: It might be better under 704.

Mr. Renwick: Under 704?

Mr. Chairman: In the supply and services programme. I know that is where that kit is made up.

Mr. Renwick: Right. Now, on my next question I know that the answer to this

comes under 702 and 703 likely, but I wanted the minister to know the information I want so that his advisers can get it and will have an opportunity to get it when we reach those votes.

I am extremely interested in the number of dollars which are spent for either acquisition and construction of various court facilities throughout the province, both on a provincial basis and for Metropolitan Toronto, and specifically, I want the information with respect to the number of dollars spent by your ministry last year, and if it's convenient, the year before, for the acquisition, repair, maintenance, improvement of the Supreme Court of Ontario buildings throughout the province and to the extent in Metropolitan Toronto they are segregated separately. I want the same information with respect to the county court system, and the same information with respect to the provincial courts criminal division, the provincial courts family division, and small claims courts, again on a province-wide basis and also on a Metropolitan Toronto basis.

Hon. Mr. Snow: Mr. Chairman, we will certainly get the hon. member any information that is possible, but it would be very difficult to separate all those costs, because in many cases we will have one courthouse that will accommodate the county, Supreme, provincial, criminal and family courts, all within one building. It may be leased from the municipalities or it may be government owned or it may be leased from private ownership. We will see what we can do with your request, but I just say that it might take months of research to try to come up with that type of a breakdown for the hon. member.

Mr. Renwick: The thrust of what I want, as distinct from the drift of what I want, is to get some conception of what I believe to be the case—that the government spends an inordinate amount of money, relative to the facilities and needs of the system, on the Supreme Court and county court system as opposed to the number of dollars that it spends to provide the provincial courts, criminal division, the provincial courts, family division, and the small claims court, where, of course, most of the citizens of the province who have dealings with the courts come into contact with the court system.

Obviously the visible part of it is very clear. You have these elaborate ornate structures that are put up for the county court and the Supreme Court, but the facilities for small claims courts, for provincial courts family division, provincial courts traffic division—if I may add that to provincial courts criminal division are disproportionate. They get very little of the money which is spent.

I don't need absolute accuracy, but I think the minister knows what I am trying to say.

Hon. Mr. Snow: Well, Mr. Chairman, I think I now understand better what the member wants. Certainly we have a very active programme, an extensive programme, for facilities for the Ministry of the Attorney General. We have new courthouses in various stages of design and construction. For instance, we have the new courthouse in Thunder Bay which is both provincial criminal and provincial family—a complete new facility just opening this month. We have courthouses to be built in Kitchener, in Lindsay, in North Bay, and in St. Catharines, an addition in Windsor, and a new courthouse in the planning stages for Sudbury. We are doing research on the overall court facilities in the city of Ottawa at the moment, with the possibility of including a new courthouse in our provincial government complex in Ottawa, for which the site has been acquired.

In some cases these new buildings involve other government offices as well as the courts, especially registry offices, offices for Consumer and Commercial Relations, and probation offices for Correctional Services. But I think at the moment, without looking at every detail, we do have more work going on for the provincial court system—more new facilities under construction certainly for the provincial court system—than we do for the higher courts, if that's what's concerning the member.

Mr. Renwick: Mr. Chairman, perhaps we could touch on that again in the next two votes.

Mr. Chairman, my colleague, the member for Wentworth, touched upon the Hydro head office building. I wanted to ask specifically about one of the recommendations of the select committee with respect to the developer proposal method for construction. I wonder whether this is the appropriate time to speak about that or whether that should come under vote 702, with respect to buildings.

Mr. Chairman: Well, it's general policy but it could be thoroughly discussed in the next one. We could concentrate on that. I think if it were left, it would be just as well.

Mr. Renwick: You mean on the next vote?

Mr. Chairman: Yes, I would suggest that. Anything on general policy?

Mr. R. F. Ruston (Essex-Kent): Yes. Mr. Chairman, I wondered if the minister could advise me as to what the general policy would be, thinking in particular of Cedar Springs School for Retarded Children where a new swimming pool was built with considerable funds raised by local people and the province also involved in it. Do you have a general policy on this for buildings owned by the province and on hospital schools? And is there any particular percentage amount that you have paid in the past towards this type of construction?

Hon. Mr. Snow: Well, I'm very familiar with that particular instance, Mr. Chairman. The auxiliary of the Cedar Springs Hospital School decided that as a project of the auxiliary they wished to construct a swimming pool which would be part of the school. The auxiliary raised certain funds themselves and there were certain funds in the canteen account, I believe it is called; the auxiliary runs the canteen and these funds are held in trust by the Ministry of Health, I believe, for the canteen.

The Ministry of Health approved the use of canteen funds that had built up over the years to assist with this swimming pool. As I say, the group raised a considerable amount of money themselves from service clubs, private donations and from foundations, and my ministry supplied the engineering services for the building. In other words, we said if they raised the money to build the project, since it was going to be our building it had to be designed to our standards to tie into our heating, ventilating and electrical system, we would supply the funds to pay the consulting engineers and architect to design the building. That was the extent of our contribution. I think it was about $15,000 or something in that area.

Mr. Ruston: That isn't the report that came out in the local paper after the opening of the new swimming pool. If I remember correctly—and I don't have the article with me; I think it's in my office—the Chairman of the Management Board (Mr. Winkler) pointed out very strongly to the people at the opening that they should be very thankful to the Minister of Energy, the member for Chatham-Kent (Mr. McKeough), for his influence in seeing that the government participated in the building of that swimming pool to the extent of 45 per cent of its cost.

Hon. Mr. Snow: Well, there's another area of responsibility too. In addition to the actual physical addition to the building of the pool, there was considerable alteration work carried out within the main building. I think a dining room or some other facility was altered, and a new washroom, shower rooms, change rooms and a little office were provided. Quite an amount of alteration work was required in the building to supply the services for the pool. This work was carried out by the hospital staff and by the government. I don't know the exact dollar volume, but it was quite considerable. The auxiliary really was responsible for the new building from the outside wall.

Mr. Ruston: Well, I think it's a good thing. I'm just wondering if we have other similar buildings in the future in other parts of Ontario, whether the people locally can be made aware that if they can raise so much money, then your department is always ready to co-operate. It doesn't necessarily have to be a political decision at the time. I think there should be a kind of policy set down as to how funds will be supplied for this purpose and not necessarily infer that it is just a political decision locally.

Mr. Chairman: The member for Grey-Bruce.

Mr. E. Sargent (Grey-Bruce): Mr. Chairman, in the public accounts the other day—are we talking policy or can we ask questions here?

Mr. Chairman: This is general policy. If it is about a building or something, I would suggest we get to vote 702.

Mr. Sargent: Okay. On policy, the minister is a new boy on the job, and while I don't know what his policy is now, I know it has been pretty well established over the years that when his ministry goes into the market to lease or build a building, the first man contacted is the Tory bagman in that area, the patronage dispenser.

In my long life in politics I've never seen one deal made in our area by the Ontario government that wasn't done through the Tory bagman in our area. Now, why is that? Is that standard policy across Ontario? I know you'll say it isn't, but let's have your thoughts on that.

Mr. J. P. MacBeth (York West): Just in the member's riding.

Hon. Mr. Snow: Mr. Chairman, that certainly is not government policy or my minis-

try's policy. We have very strict guidlines as to the rental of office space or the purchasing of supplies or the carrying out of alterations or additions to buildings or maintenance contracts. When we require space in a particular area, the property agents from my ministry will go into that area. If it is in the city of Owen Sound, which the hon. member is of course very interested in, they would go to Owen Sound and assess what office space was available.

Mr. Sargent: Don't you contact a certain person?

Hon. Mr. Snow: No, not to my knowledge.

Mr. Sargent: You are sure of that, eh?

Hon. Mr. Snow: I am sure of it.

Mr. Sargent: So it is just by accident that over the past 40 years it has happened that way.

Hon. Mr. Snow: I know, Mr. Chairman, that I have seen reports when, I believe, we rented some court space in Owen Sound for new courts or social and family services offices or different things.

Mr. Sargent: Yes, just talk about that for a minute. Go ahead.

Hon. Mr. Snow: Mr. Chairman, these assessments are made. My ministry staff find the space, assess the cost and what is suitable and what isn't. Representatives of the client ministry are brought in, to look at—

Mr. Sargent: You are getting into trouble on this one. Don't talk about that one.

Hon. Mr. Snow: —what space is available and eventually a decision is made on which space we should rent.

Mr. Sargent: Just when do you go into an area and build a courthouse on top of a wallpaper store? There is a little plaza and you put your courthouse on top of that. Since when has the Ontario government started to do that? I will leave that there but I want to tell you about it.

Hon. Mr. Snow: No, I want to answer that, Mr. Chairman.

Mr. Sargent: Yes.

Hon. Mr. Snow: I haven't seen the particular space.

Mr. Sargent: You have got to see this one. This is beautiful.

Hon. Mr. Snow: I will. I go through Owen Sound quite often, so I will go and have a look at it. I will be glad to. In fact, I almost called into the hon. member's place of business one day when I was going through there, but it was on the wrong street. In any case, I believe this is a family court, is it not? My preference is to build a new courthouse completely and amalgamate the courts into one new court building. But in many cases we rent space for family courts in standard office accommodations, and sometimes in commercial establishments such as shopping centres. I know, for instance, in the city of Timmins we have 10,000 square feet of space, I believe it is, upstairs in the mall which supplies the court facilities there.

It all depends. If the requirements are large enough and the capital is available, we will buy land and build a new courthouse or government-owned building with the courts in it, perhaps the registry office and perhaps some other offices. We have hundreds of courts throughout this province where we lease space from the municipalities. We lease Legion halls, masonic halls, Knights of Columbus halls, perhaps for one day a week, for the judge to go to that town to hold court. There is no standard policy or standard type of accommodation that we have.

Mr. Sargent: I believe the minister is trying to do a sincere job but he has inherited a policy that is corrupt and it goes on continually. Do you want me to back that up?

I asked your real estate man in the public accounts the other day if he would supply to me a list of all the leases in Ontario through your department—the terms and who holds them and who owns the lease. Then we can find out whether or not you are telling the truth. I am saying that you are telling the truth, but you have inherited this system, and I suggest that it stinks.

I am asking the minister right now, Mr. Chairman, if he will back up his department head. Will you provide that list of all the leases in Ontario through your department? Who holds the leases? That is the key. How many billions of dollars now?

Hon. Mr. Snow: I have no objection at all, Mr. Chairman. There are some 1,400 to 1,500 leases within my ministry.

Mr. Sargent: We want them all.

Hon. Mr. Snow: I don't know whether we could get a computer runoff or how we could

supply information on those 1,400 or 1,500 leases. But I assure the member that if there is any way I can get him that complete list, or if he wants any information on any particular lease—

Mr. Sargent: Let me ask you this. It is now about May 10, could I have a deadline? Could I have those by June 1? Put two people on that job and they can provide them to me by that time.

Interjections by an hon. member.

Mr. Sargent: Can I have them by June 1?

An hon. member: Of 1974?

Mr. Sargent: Yes, I'm talking about this year.

Hon. Mr. Snow: I will check into this with my staff, Mr. Chairman.

Hon. W. A. Stewart (Minister of Agriculture and Food): You are a disgrace to your party.

Mr. Sargent: Does the Minister of Agriculture and Food want to talk on this question?

Hon. Mr. Stewart: I will just tell you I don't think you're doing much for the party.

Mr. Sargent: Oh, boy! You're great, you are! We'll get into you after a while on the same deal.

Mr. Deans: Which party?

Hon. Mr. Stewart: You talk about trying to save money and you want to throw money around on nonsensical things!

Mr. Sargent: I want to build another $3,000 farmyard; I'll do that too, okay?

This department has said it would provide that information. You say you will give it by June 1?

Mr. Lawlor: Do you think he will ever look at the list when he gets it?

Mr. Chairman: Order, please.

Mr. Sargent: You have milked this government right down the line. You know you have.

Mr. M. Gaunt (Huron-Bruce): He is the Minister of Agriculture, after all.

Mr. Chairman: Order, please.

Hon. Mr. Stewart: Just give me a few illustrations.

Interjections by hon. members.

Hon. Mr. Stewart: Give me a few illustrations.

Mr. Sargent: I'll give you a few illustrations, Mr. Chairman, right now. If there's any way that minister can milk money out of that department he'll do it. And you know what I'm talking about.

Mr. Chairman: Order, please. Vote 701.

Interjections by hon. members.

Hon. Mr. Stewart: Give me some illustrations. I want some illustrations.

Mr. Sargent: What about the $3,000 farmyard you had?

Interjection by an hon. member.

Mr. Sargent: He's the only guy to make any money last year because he had a barn fire. That's the only way he got any money.

Mr. Chairman: Order.

Hon. Mr. Stewart: Do you mean to say I had anything to do with that? Mr. Chairman, I want the member to clarify that. Does he suggest I had anything to do with that fire?

Mr. Sargent: Let me go back a bit.

Hon. Mr. Stewart: Come on, let's have it.

Mr. Sargent: Certainly not. You know I don't mean that.

Hon. Mr. Stewart: All right; then why did you throw that implication in?

Mr. Sargent: I'll tell you. We had a meeting with the insurance agents down at the Hyatt House and—

Mr. Chairman: Order, please.

Mr. Sargent: Do you want me to answer the question?

Mr. Chairman: No. Order, please. We're on vote 701.

Hon. Mr. Stewart: Let's hear the question.

Mr. R. D. Kennedy (Peel South): Are you leasing anything to the federals now?

Mr. Sargent: Pardon?

Mr. Kennedy: Are you leasing anything to the feds now?

Mr. Chairman: Order, please.

Mr. Sargent: I'll try if I can.

Mr. Chairman: Order, please.

Mr. Sargent: Not yet. I'm working on it, though.

Mr. Chairman: Order, please. Vote 701.

Mr. Sargent: You've promised I'll get that list by June 1, is that right?

Hon. Mr. Snow: I would like to say that if it's humanly possible to get that list for the member by June 1—

Mr. Sargent: I don't want any qualifications; do I get it or not?

An hon. member: C'mon now.

Hon. Mr. Stewart: He is a disgrace to the party.

Mr. Kennedy: Do you lease anything to the feds now?

Mr. Sargent: Do I get it?

Hon. Mr. Snow: Mr. Chairman, as I said, if it's possible. There are 1,600 leases; there's a great deal of manual work in preparing such information as the—

Mr. Sargent: Do you want some more staff?

Hon. Mr. Snow: —member needs and I must say that my staff are very busy doing perhaps more productive things. The member is entitled to information and if he wants it for across the province we'll have to get it for him.

Mr. Sargent: Thank you very much. On June 1, I'll give you a call.

Hon. Mr. Snow: Okay.

Mr. Chairman: Anything further on vote 701?

Mr. Lawlor: Mr. Chairman, I want your direction on this. I wanted to say a few words during the estimates about this building and about the repairs being made therein. Where would you want that?

Mr. Chairman: Are you talking about this building?

Mr. Lawlor: Yes.

Mr. Chairman: That is legislative services, vote 704 or something like that, I believe; it's a later vote. This is just general policy on the operation of the ministry. I believe we've been talking on 702 most of the time.

Mr. Lawlor: Then let me have general guidance. With respect to the capital works programme—

Mr. Chairman: That's 702.

Mr. Lawlor: What happens, Mr. Chairman, if I can't be here?

Mr. Chairman: Vote 702 is for the building and 703 for the maintenance. They sort of overlap. I think most of our discussions really have been on those two votes but we'll get there pretty quickly if we have nothing further on 701.

Mr. Deans: Yes, I have a couple of things further on 701. I just need to breathe. I want to talk to you about the policy that you are adopting and moving ahead rather rapidly into contracting out. We spoke about it before, and it's a general policy that seems to be taking hold throughout the government. I am a little concerned about it, quite frankly, and I want to know something about it.

I was reading with interest the specifications on the contract for window cleaning, for example, and on the contract for cleaning of office buildings and parking garages, and I noticed as I read through them that the specifications are very explicit for most things. They deal with things like, "The stairs shall be cleaned as follows," and it sets out the way in which they will be cleaned, "the stairs shall be swept daily using a dust control method," and "the hand railings shall be dusted daily, vertical grill coils to be dusted weekly."

In other words, every tiny phase and aspect of the cleaning is spelled out. Okay, that is fine, I am not going to criticize you for that. If you think that's necessary in order to have the contracting work done properly, then so be it. What worries me is that when we come to that term labour at the beginning under the definitions section, section 4, it says:

> All work shall be done by workmen in their trades. Hours of work, working conditions and the rates of wages shall be not less than the minimum wages established by the customary standards in the locality.

I don't quite understand what is meant by that. That particular definition is found in the specifications contract for cleaning office buildings. In the general conditions in the specifications for window cleaning for government-owned buildings, the labour section says:

> All work shall be done by workmen skilled in their trades. In no event shall the contractor pay wages less than the minimum hourly wages required by law.

That is considerably different from what is said in the other contract. In the one contract we are saying that wages shall be in accordance with local conditions and the rates of pay shall be not less than the minimum wages as established by the customary standards in the locality for the same or similar class of work. I want to begin by saying that I am worried about the contracting out. I am concerned about the rates of pay being paid to the people who work for some of the smaller—and some of the larger too—contracting firms. I am concerned that in the one instance the minister sees fit to require that the rate only not be less than the minimum wage established by law, while in the other he talks about something called the customary standards in the locality. How do we begin to determine what the customary standards in the locality are?

Mr. Renwick: There is no way.

Mr. Deans: How do we tell? What kind of process does the minister go through to ensure that the customary rate of pay for the locality in which the work is done is in fact being paid? On the one hand it is easy, one need only be sure that the employees aren't paid less than the minimum wage—and we will talk about that in a moment—but I don't quite understand how you are ever going to be able to police a section that talks about the customary standards in the locality.

First of all, how do you determine the locality? Are you talking about within that municipality? Are you talking about within that general region? Are you talking about work performed in similar kinds of buildings? Are you talking about what they normally pay their other employees for contract work undertaken on behalf of other than government agencies? I don't know. How are you going to ever determine what is going to be paid? What requirement is there on the part of the company involved to disclose to the government the rates of pay? I can't see it. Maybe it is there, but I have looked. If you can point it out to me I would be pleased to see it, but I can't.

I must say to you that I think it is a little bit haphazard. That is not how you deal with people. I think it is time the government established what it is that people should receive by way of pay for a job done on behalf of the government. If the ministry is going to offer for contract purposes—which I don't agree with—if it is going to offer out work that was previously done either by government employees or by others, then I think it's time that it accepted the responsibility of ensuring that there will be no substandard wages paid by employers to employees working on behalf of this government.

Now, the minister and I both know—and I speak through you, Mr. Chairman, to the minister—the minister and I both know that in many of these jobs the work is being done either by women or by recent immigrants. In both instances it's being done by people who desperately need work. The options open to them to find other more lucrative positions are considerably reduced—perhaps because of skills or language difficulties and because of the difficulty of understanding the economy and economics of living in Ontario—because they are fairly recent to the game. I am concerned that there are people in Ontario taking advantage of these people because the government hasn't established clearly what should be paid to them and what is required to be paid to them in order that they can live in the Province of Ontario.

We are currently dealing with speculation, and I am going to tell the minister that a degree of speculation takes place within many of the service trades with regard to using their employees. They recognize they needn't pay high wages; they recognize the government doesn't pay much attention to the wages that are being paid; and they are therefore able to take advantage of people who frankly can't support themselves or who have no recourse.

As long as a person is getting paid the minimum wage in the Province of Ontario—regardless of this section under the cleaning of offices—under that section, there is no way that this government is ever going to take up the cudgel on their behalf.

Mr. Cassidy: That's the only thing they've got.

Mr. Deans: If a person goes to the government and says he is being paid less than what is normally paid to other people in that job area, the government will reply that because it has no law which governs it, that as long as he is being paid more than the minimum wage, he is receiving all that is required from the employer. That section is absolutely meaningless and provides absolutely no protection. I don't understand how it could appear in a government document.

Well, what do you do? What do you do when someone comes in and says: "I am only getting $1.85 an hour and I am working my backside off trying to clean your Parlia-

ment buildings, and other people in the business who are cleaning over on Yonge St. or over on Bay St. or up on Eglinton Ave. are getting paid $2.50 an hour."

Hon. Mr. Snow: Who for?

Mr. Deans: In the private sector. That's the question the minister asks, you see: "Who for?" Because if others are getting paid that outside, the answer is given here—and I know it, I've heard it—the answer is given to them: "Look, you are getting paid the minimum wage. Our only obligation and our only requirement as a government is to ensure that you get no less than the minimum wage."

And so even by writing that section into the specifications, the government is not guaranteeing those employees anything other than the absolute minimum.

Mr. Renwick: Minimum, that's right.

Mr. Deans: And the minister and I both know that one can't live in Toronto on the absolute minimum.

Mr. Sargent: Right.

Mr. Deans: He and I both know that regardless of skill, and regardless of marketable skills, it is absolutely impossible for a person to come into Metropolitan Toronto and live with any degree of dignity on the minimum wage paid in the Province of Ontario.

Hon. Mr. Snow: Mr. Chairman, does the member have any evidence that the minimum wage is the wage that is being paid? Or does he have any evidence that there is less money being paid or lower wages being paid to cleaners cleaning government buildings than those cleaning private sector buildings?

Mr. Deans: I'm suggesting to you an alternative.

Hon. Mr. Snow: You don't give the answer. All you are doing is talking. You don't have any answers.

Mr. Deans: No, I'm not just talking. What I'm saying to you is that there is no protection within your specifications to ensure that people are paid more than the minimum wage, in spite of that section. I'm telling you that section doesn't protect anybody. There is no way that that section can be enforced. There's no way first of all, to determine what are the customary standards in the locality. Do you have any idea what the customary standards for wages are in this locality for cleaning? You have? I assume that nod is yes, you do. Is it? Thank you.

Let it be recorded that the minister nodded yes, he knows. I don't want to carry on and have you say later you didn't say that. Do you then check to ensure yourself that people who work on behalf of the government through another agency, another contractor, are paid no less than what you know to be the customary standards?

Hon. Mr. Snow: No, Mr. Chairman, we don't have any wage clause or any set rate in our contract.

Mr. Deans: Okay.

Hon. Mr. Snow: We call tenders under these specifications for the carrying out of these works, whether they be for cleaning or for security or whatever it may be. On our construction contracts we do have a wage schedule, but we don't on the maintenance contracts.

Mr. Deans: Let's go on then. You say you don't have any wage specifications, and I know you don't have any wage specifications. I realize that. I know why you have it in the construction business by the way, because you'd have nobody working for you if you didn't have, because they are very highly organized and very powerful and you are not about to buck them.

When it comes to the lower end of the wage scale, you seem to think that it doesn't matter. Let me go on. You don't check it out. You say you know what the average is or what the accepted payment is, but you don't check it out. How does the person who assumes that he is being paid less go about getting restitution? Do they come to you as the minister?

Hon. Mr. Snow: Mr. Chairman, I have had no complaints come to my attention from any employees of any of our contractors. Now I'm not saying there have not been complaints. Certainly I haven't heard of any. I haven't had any letters.

Mr. Deans: The reason you've had no complaints is because there is no way to complain. How can they complain? The only requirement by your law is to pay the minimum wage. This section of this specification doesn't alter the law one iota.

Hon. Mr. Snow: It's not intended to.

Mr. Deans: Of course it's intended to. Surely it's intended to assure those people employed by the sub-contractor working on

behalf of the province that the sub-contractor will not pay them less than the average wage paid for similar kind of work in Metropolitan Toronto or in Kingston, or in Hamilton or in Ottawa. That's what it's there for.

How do they go about making sure that they are not paid less? What do they do when they get offered a job at the minimum wage? Do they come to you and say, "I've been offered a job at $1.85"—or $1.95 or whatever it happens to be at the time—"and the going rate for that job is $2.30. Will you insist that I get $2.30?" Would you insist that he gets $2.30?

Hon. Mr. Snow: No.

Mr. Deans: No, of course you wouldn't insist he gets $2.30.

Hon. Mr. Snow: Mr. Chairman, this whole matter of the labour rates, the minimum wage, the Employment Standards Act, the hours of work and the time and a half for overtime, are all responsibilities of my colleague, the Minister of Labour (Mr. Guindon). He's responsible for the protection of the rights of the workmen and we certainly live up to the laws of the province. If any complaint comes to our staff that certain contractors are not living up to these arrangements then the Ministry of Labour is notified and they investigate.

Mr. Deans: That's not so, because hopefully you are attempting by putting this clause in your specifications, to ensure that people will not be taken advantage of. I'll give you the benefit of that. I think that's probably what that's intended to do. But there is not a single law in the Province of Ontario to which people who are being taken advantage of, as specified by this clause, can turn to. There isn't a law anywhere. They can't go to the Minister of Labour because the Minister of Labour is only obliged, in fact the law requires him, to deal only with people who are being paid less than the minimum wage established by law.

Hon. Mr. Snow: I'll accept the fact that that clause, from what I've read of it—I haven't got the paper in front of me—from what the member has read out of that clause I'd say it's unenforceable. The clause in the other contract is understandable and enforceable.

Mr. Deans: Okay.

Hon. Mr. Snow: Perhaps we should change that contract.

Mr. Deans: Are we okay now? We can take a look at making this enforceable because what I want to say is if you are going to change it for heaven's sake don't make it like the one in the other. There's no point in saying that people living in Metropolitan Toronto need be paid only the minimum wage because the minimum wage isn't nearly enough. If people are going to be employed by the government directly or indirectly, you have an obligation—we have an obligation—to ensure they are being paid a wage which will allow them to live in the area in which they are residing and in which the work has to be done.

There's no point at all in the minister saying to me that when we're having contract work done by contractors in the construction industry we're prepared to abide by wage scales set up by negotiation—although you don't directly negotiate yourself—while on the other hand saying that because these people don't have the kind of bargaining power the construction workers have, they're not entitled to a decent wage when performing services for the government of the Province of Ontario.

What I'm asking you to do, quite frankly, is to take a serious look at what a person needs to live on in the province and to say to your friends in the government, "It's time for us as a government to lead the way and to show the people of the province that we recognize they can't live on the minimum wage in Metro, Hamilton, Ottawa or wherever." You have to incorporate into your specifications for work to be performed —regardless of the classification of the work —a wage level which will (a) provide them with income sufficient to live on; and (b) which will be enforced by the Province of Ontario in every single contract. When someone then comes to the government and bids on a job or puts in a tender on a job they will understand that one of the prime requisites of getting any contract from the government is that they must pay their employees a decent wage—and that we're going to establish that wage in the province.

Let me suggest one thing to you. Frankly, I think it is ludicrous to expect anyone to live in Metro on the minimum wage. Therefore, in every single government contract there must be a specification which says: "No one working for the government for 40 hours a week will receive"—and let me make a suggestion to you—"less than $150 a week." Beyond that there will be continual review of the wage scale set in any contract to ensure that it keeps pace with the cost of

living and there shall be, for the purpose of wages, an escalator clause. There have to be escalator clauses for people who just don't have the bargaining power. We have an obligation to protect those people. Maybe you wouldn't have the problems you've got in getting good help—I'm not suggesting you have problems but maybe there wouldn't be the kind of problems which seem to emerge from time to time—if the government took the lead and paid people a decent wage. Even in this building, for heaven's sake, there are people whose wages are deplorable. You might say to me, "What do they do?"

Hon. Mr. Snow: They must be working for the NDP caucus.

Mr. Deans: No, sir, the NDP caucus pays the highest wages of any group in this building and you know it full well.

Mr. Renwick: You know you're going to have to meet those wage scales.

Mr. Dean: In fact, because of the position we have taken, it's very likely that employees of the other caucuses will be receiving substantial wage increases.

Mr. Renwick: That's right.

Mr. Deans: Very likely. Beyond that, I want to tell you that you have this obligation to make sure that every single person employed in this building—and out of this building—gets paid a wage which will allow them to work with some dignity for the government, for heaven's sake. Take that clause out and build in a wage scale.

Hon. Mr. Snow: On a point of order, Mr. Chairman. I cannot accept the hon. member's suggestion that I have the personal responsibility to see that everybody who is employed in this building is paid a certain wage scale.

Mr. Deans: Why?

Mr. Renwick: Yes, you have.

Hon. Mr. Snow: Many of them are not employees of my ministry, and I have no way—

Mr. Deans: But you have in the case of sub-contract work.

Hon. Mr. Snow: I do not have subcontractors working in this building, to my knowledge.

Mr. Deans: All right. Can the minister give us a list of the names of all of the contractors who have bid on window cleaning, cleaning and maintenance work for the government buildings? Can he provide us with the names of all of the contracts that have been let for all of the government buildings, the legislative building, the Frost building, the Macdonald block or wherever? Who in fact have the jobs and how much they pay their employees?

Hon. Mr. Snow: Well, I can certainly give the hon. member a list of the contractors who have the jobs. It is public information.

Mr. Deans: Okay.

Hon. Mr. Snow: I can't give him a list of what they pay their employees. We don't have that information.

Mr. Renwick: Well, that is the whole point.

Mr. Deans: That is what I have been trying to tell you right from the beginning. You can't because you don't check it. You don't know whether these particular clauses are even being enforced. Oh you know whether or not they are dusting off the hand rails and whether they are brushing down the stairs daily—

Hon. Mr. Snow: I would hope so.

Mr. Deans: That's right. But you don't have any idea what they are getting paid. What I am asking is, would you provide us with a list of the contractors, the contracts and that section of the contract which deals with wages for employees? Because they must have set out the disposition of the funds in their bids for the jobs. Surely they say to you that they need X number of dollars for this particular aspect of the job and X number of dollars for that particular aspect.

Hon. Mr. Snow: No, Mr. Chairman. A contractor bids on an annual fee basis to carry out whatever is specified. The tenders come in, sometimes quoting a lump sum fee for a one or two-year contract. He agrees to carry out the services required in the specifications for the one year or the two years for a lump sum of, say, $48,000 for two years. There is another clause in the contract that says this will be payable at $2,000 a month, so he doesn't have to go for two years without getting paid. Unit prices are not quoted in many cases. There may be unit prices for some specific extra work that he might be called on to do, but for the work covered in the specifications of the tender called he quotes a lump sum bid.

Mr. Deans: All right. Will you require in future—

Mr. Sargent: May I interject and ask a question at this point?

Mr. Deans: Yes, sure.

Mr. Sargent: I think the minister would be concerned if the master contractor on any given job of maintenance around here employs people who can't speak the language and don't realize they are not being paid scale. Would he be concerned about that? That is happening, and it is happening on a large scale.

Hon. Mr. Snow: I would be very concerned. But, Mr. Chairman, surely the hon. member is not suggesting that the government should discriminate against people who are not the most fluent in the English language?

Mr. Sargent: I say they are taking advantage of the fact that these people don't know what their rights are. This is happening.

Hon. Mr. Snow: I can't accept that, Mr. Chairman. I do understand that many of our new Canadians are employed in this type of work. I don't think there is anything—

Mr. Sargent: The contractor is making his margin and paying them $1.80. He is making the margin between that and the minimum.

Hon. Mr. Snow: Well, the contractor bids in competition on an overall job based on the labour rates that he assumes that he is going to have to pay to get competent workmen to do the job. It is a very competitive market. There are hundreds of buildings in Toronto that have cleaning contractors and need cleaning staffs.

I have been doing some investigating on my own these last few weeks. I have asked for certain information regarding contracts that the federal government uses for its cleaning contracts and to see how it handles labour rates. I must say that I have been concerned about how much more the employees were getting paid than the minimum rate. As I say, I have had no employees coming to me, complaining that they are being underpaid or exploited.

Mr. Deans: How could they? There is nothing you can do about it.

Hon. Mr. Snow: Well, maybe there isn't anything I can do about it under the contract, but I would still expect that I would hear about it if this were happening.

Mr. Deans: But they know you don't care.

Hon. Mr. Snow: Nonsense!

Mr. Deans: They know you don't care.

Mr. Renwick: That is what has happened. That is the whole tragedy of it.

Hon. Mr. Snow: But, as I say—

Mr. Deans: You personally don't care if they get paid the minimum wage.

Hon. Mr. Snow: I cannot accept that. The hon. member says I don't care if they get paid the minimum wage. I certainly do care that they get paid the minimum wage. And I think—

Mr. Deans: In fact, you want them to be paid the minimum wage.

Hon. Mr. Snow: I think they should be paid considerably more.

Mr. Deans: Then why don't you do something about it?

Hon. Mr. Snow: I had a contractor come to my office the other day and say to me that he had a contract with the government, and since the government had raised the minimum wage, he should get a raise in his contract. I said, "Don't be a fool. Don't try to tell me that you are hiring employees at the minimum wage rate and that the increase in the rate affected your labour costs." He said, "Well, I have to agree with that." But he was trying to use that as an argument to get an increase.

Mr. Deans: That helps my argument a lot, I'll tell you. Because, in fact, that is what they are paying.

Mr. Renwick: Mr. Chairman, I just—

Mr. Chairman: The hon. member for Huron-Bruce has the floor.

Mr. Sargent: Is the question of the hon. member for Riverdale on the same matter?

Mr. Renwick: Yes.

Mr. Sargent: All right, I won't pursue that.

Mr. Renwick: This is a matter of vital concern to me, and my colleague the member for Wentworth and I have discussed this on a number of occasions.

What the minister does not seem to understand is that because he has chosen to contract out the maintenance work and the window cleaning done for the government, he has affected persons who would be classi-

fied as part of the civil service classification if they were direct employees of the Government Services ministry, their pay scales would be publicly available, they would have the protection of the Civil Service Association, and they would be able to move to protect themselves in some way or other. But because the minister has chosen this method, he has denied them these protections.

Strangely enough, the very example that the minister gave appears to me to support totally what my colleague, the member for Wentworth, was saying. This man comes to you and says, "You have increased the minimum wage; therefore, I want an increase in my contractual price." You say, "No, that's nonsense. Don't tell me you are paying the minimum wage." And the fellow walks away. But he was paying the minimum wage. And because you won't give him the increase, he is now going to be in very grave danger of not being able to carry out his contract or he is going to pay people less than the minimum wage.

Mr. Deans: Work them fewer hours and harder.

Mr. Renwick: Fewer hours and harder, if that is the way it comes out. And you say to us, "Why am I responsible?" You chose this method. This is quite different from other kinds of contracting out. When you contract out tasks that are essential in our economy, but everyone knows have to be fulfilled by people who have little if any particular skills or ability to maintain themselves economically, you are asking for sweat-shop conditions—and you know it. And it is your responsibility. You can do it if—

Hon. Mr. Snow: I would have to disagree with the member when he says that there are no skills required for this job. I happen to know a little bit about this business, and I know that you need good cleaners, machine operators who know cleaning. There is skill involved in terms of a man who can maintain a building in a good, clean condition without using too much wax or not enough wax on the floor. You are saying that's not a skilled job. I disagree. I say it is a skilled job.

Mr. Renwick: Well, all right then. I yield to the minister and agree it is a skilled job, but it is a skilled job where the minister knows that the wage levels being paid tend to be the lowest in the economy. Now to the extent that that is so, then you have to look at the way in which you carry out your responsibilities. You can do it in any number of ways. You can require them to account to you for the wages they pay. You can establish as my colleague says, the classifications that must apply so that these people are protected. I would like to know if the question of subcontracting has been investigated—whether subcontracting is taking place under these contracts in breach of the term which prohibits such a subcontract.

Just to elaborate on the request made by my colleague from Wentworth, I would like to know exactly the number of tenders which were called; the names of the persons who bid on those contracts for each of the particular tenders which were called; what the amount of the tender of each of them was; who got the award of the contract in the particular case; and the exact name of the organization, whether it is a company or partnership, and the nature of it, so that publicly we can see whether they are the kind of people who are carrying out their work in a reputable, reasonable way at the present time.

Can that information be made available during these estimates?

Hon. Mr. Snow: Like the information requested by the hon. member for Grey-Bruce, this will take some research. I don't know how many cleaning contracts we have in force—certainly not as many as we have leases—but it will take some research to put all this information together. These tenders are all called publicly; they are opened publicly; and there are reports that come to me when the tenders are open stating who the bidders were and the amount of the bid. It is just a case of getting duplicates of all that material together, and we will get it for you.

Mr. Deans: I want to say I can recall during the Hydro hearings the discussion about how they arrived at the cost for the maintenance of the building. I may be wrong, since I have been wrong before and I could be wrong on this, but I have the distinct impression that certain of the costs are pretty well fixed. The provision of maintenance for the Hydro building was the subject of considerable discussion during the Hydro head office investigation, as you will recall, I am sure. I am positive, as positive as I can be, that the basis upon which calculations are made for the bidding for maintenance, as far as wages are concerned, uses the minimum wage as the base.

I think it is wrong that people bidding on government jobs should be using the minimum wage in the province as a base for

their job bid. I just think it is absolutely and totally wrong. It isn't going to alter their competitive position one with the other, if you establish other than the minimum wage, because they are all obviously going to have to bid on the same basis as far as wages are concerned.

Hon. Mr. Snow: I agree. We could establish $10 an hour.

Mr. Deans: Of course you could, but I am not asking you to.

Hon. Mr. Snow: All you have to do is put it in the specifications.

Mr. Deans: Right. You are not making them any more or any less competitive one with the other. You are simply saying that the one thing required by conviction is, if there is to be any manoeuvring, manipulating or margin, it won't occur in the payment of wages to your employees. If you can get a better deal in the purchase of your supplies, if you can find a new way to do it so it will be done more quickly or more economically or whatever, so be it. The one area that as the government we should insist on is that you must not compromise in the area of paying your employees a decent wage.

If you do that you have got no problem. They all bid on the same base then and then comes in the professionalism that you are talking about.

Hon. Mr. Snow: It takes the competition out of it.

Mr. Deans: Damn it, the competition shouldn't be on the basis of wages.

Mr. Renwick: Not on that. It can't be.

Mr. Deans: The competition shouldn't be on the basis of wages. You shouldn't be competing on whether or not you can get somebody to work at $1.85 and somebody to work at $1.90. That shouldn't be where the competition takes place, for goodness' sakes. The competition isn't there anyway. At the present moment they are all paying the same or basically the same. Many of them are paying the minimum wage. The thing surely is that's not where you play games. If the man in the business wants to fiddle around with the way in which the work is done or devise new and better ways or better uses of his resources, or find new suppliers or whatever he wants to do, then that's where he shows his expertise and that's where he shows his ability. But, damn it, he can't show his ability because he is simply going to pay somebody less than they need to live on.

Hon. Mr. Snow: Mr. Chairman, if I felt there was any exploitation of the employees that are working on our buildings I assure you I would be the first one to take action, but there has been no indication of this to me. We call tenders on the maintenance of many of our buildings. We have not replaced existing complement staff by contracts, but as new facilities are created we invariably throw the contract open, going on the contract method.

Mr. Deans: The people coming in aren't being paid the same as the people going out, let me tell you.

Hon. Mr. Snow: I certainly, as I say, have had no evidence of any exploitation, but I have a great deal of sympathy for those at the low end of the wage scale today.

Mr. Deans: Sympathy doesn't buy bread.

Hon. Mr. Snow: And if I felt in any way that we could assist in this way, or if there is any exploitation taking place by some contractors, I'll be the first one to take action on their behalf.

Mr. Chairman: Perhaps the member for Grey-Bruce would—

Mr. Sargent: He wants to speak on the same subject though.

Mr. B. Newman (Windsor-Walkerville): Yes.

Mr. Chairman: Oh, he does? The member for Windsor-Walkerville.

Mr. B. Newman: Mr. Chairman, I want to talk on the same issue. The member for Wentworth certainly does make a very valid point. The minister says we don't know of any exploitation going on.

Hon. Mr. Snow: Do you?

Mr. B. Newman: Well maybe you don't know, but Mr. Minister—

Hon. Mr. Snow: If any hon. member is able to give me a case, then I'll certainly take action. You have no evidence either.

Mr. B. Newman: Mr. Minister, I am not saying there is exploitation going on, but other ministries do write in fair-wage contracts and there is no reason why the people involved in the cleaning business shouldn't have exactly that same principle adopted in their contracts. The bidding is going to be exactly the same; one may be a little more ingenious than the other, or may have more

efficient personnel and as a result may be able to do as good a job or maybe even a better job, but at least the wages should be living wages; and today's minimum wages are not living wages to many people.

A one-parent family or a person who has a fairly large-sized family, working for the wages that they would receive from a contractor, certainly are part of the working poor in our society; and I don't think that your ministry should continue the idea of having working poor. I think anyone who does work should be—

Hon. Mr. Snow: With all due respect, I have had no indication directed to me that the contractors working for this ministry are paying the minimum wage, and I don't think the hon. member who is speaking, or any of those who spoke, have any evidence on this.

Mr. B. Newman: Mr. Minister, I didn't say you had the idea that they were not, but at least if you come along and use the same criteria and the same pay scales that are given throughout the industry by governments, by the other corporations that have full-time personnel in the cleaning business, you are going to have at least a wage scale so that these people who are providing the cleaning functions, the cleaning personnel, at least are going to be making a half decent wage.

Mr. Sargent: Could I speak?

Mr. Chairman: Do you want to speak on the same subject, Mr. Young?

Mr. F. Young (Yorkview): Yes, just on this subject, Mr. Chairman.

Mr. Chairman: The member for Yorkview.

Mr. Young: I notice this paragraph in the Ministry of Labour's annual report 1972-1973:

> During fiscal 1972-1973, a total of 13,125 investigations were completed. Arrears of $2,126,750.46 were collected from 10,352 employers on behalf of 37,887 employees.

When we get to the Ministry of Labour perhaps we can get more details on who these people were, but my question is that since this whole cleaning field is one of the low-paying occupations, can the minister assure us that these statistics are not interwoven with his own department statistics; that none of the 13,125 people who were investigated were included in the people who tendered and who are now working for the ministry which he heads?

Hon. Mr. Snow: No; I couldn't, of course, give that assurance. I would have no way of knowing whether any one of the people who had bid on our contracts was investigated. How could I give the hon. member that assurance?

Mr. Young: Well I'm sorry; perhaps—

Hon. Mr. Snow: I do not know of any. To my knowledge I have not heard of any investigation of any of our contractors.

Mr. Young: All right. Then perhaps with the information which we can get from the Minister of Labour, plus the information which has just been promised, we can compare and get that kind of information. I do not mean to say that a minister should investigate all those people who bid on the contracts. It's successful bidders he would be concerned with.

I would hope that perhaps he could ask some questions in this regard of the Minister of Labour and see whether or not there is some overlapping here, and see whether the people who are working for this ministry may have been subject to an investigation. I hope they haven't been.

But this is just an indication of what is happening in this province; that all these employers have been cheating, in some way, the employees who work for them. In other words, arrears of $2 million have been collected. This is something we can perhaps talk about in more detail when we come to the estimates of the Ministry of Labour. But this is a serious situation and obviously it is a widespread practice in some way or other.

Hon. Mr. Snow: With all due respect, Mr. Chairman, it is not a widespread practice with the contractors working for our ministry. Because to date I have not had one situation brought to my attention where employees have not received their pay, or their holiday pay or their overtime pay, or whatever it may be. We have the odd case of subcontractors who made claims for not being paid when there's a bankruptcy, or something; but I've never had a complaint about wages.

Mr. Young: Well that's good to know.

Mr. Chairman: The hon. member for Grey-Bruce on 701.

Mr. Sargent: Mr. Chairman, I have a few things in summarizing policy, but referring to the last subject briefly. Last year the executive of the civil servants union met with me in regard to people having maintenance contracts with this ministry. They

made it very clear to me—and I had quite a file on it at that time—that their subcontractors employed people who could not speak the language and they got them at bargain rates; and this made their profits. At that time it was quite a serious thing, but I didn't get a chance to bring it up in the House in the estimates. I haven't got the file, but I know it was rampant last year. So I leave that for the minister's information. It was happening.

With regard to the examination of these estimates—I don't know whether the minister has answered in the House regarding the fact that there's $124,000 in vacant space that the minister has been paying for. Has he discussed this yet in these estimates?

Hon. Mr. Snow: No.

Mr. Sargent: Has he investigated how this could happen?

Hon. Mr. Snow: Oh I'm very familiar with it, Mr. Chairman. I wouldn't say I haven't discussed it in the estimates. It was mentioned the other evening when we started off the estimates. There's no secret about it. We have something like five million sq ft of office space, I believe it is, in the Metropolitan Toronto area.

Mr. Chairman: Mr. Minister, I think this will be coming up in vote 702.

Hon. Mr. Snow: Well this is certainly in the accommodation area; but I mean we seem to be dealing with the whole ministry here at this point.

Mr. Chairman: Well we're not. We're dealing with property management in the next vote.

Mr. Sargent: I disagree. We're talking about policy and how these things can happen, general policy. The minister admits that it has happened and I want to know how much more of that is going on. We've no check on this. How does he check on this?

Hon. Mr. Snow: I'm sorry, I—

Mr. Sargent: I mean how do we know this isn't going on every day?

Mr. Chairman: Vote 701.

Mr. Sargent: I am talking policy, Mr. Chairman.

Hon. Mr. Snow: We have a vacancy report. I get a vacancy report every month, Mr. Chairman, as to any space that is vacant or in transition—one group has moved out and another group may be moving in, and there may be some alterations being done. Of course this information is available. There is the one building to which Provincial Auditor referred, very rightly so, in which we did have some space vacant. But the overall vacancy rate—

Mr. Sargent: Why pay for it, then?

Hon. Mr. Snow: Well we happen to have a contract and a lease with a landlord from whom we were leasing this space. That's why we paid for it.

Mr. Sargent: A few more things on policy—do you control the Liquor Control Board leases across Ontario.

Hon. Mr. Snow: No, Mr. Chairman.

Mr. Sargent: What policy did you follow with the Kingston contract? Was that a proposal system or a low tender deal — the Kingston provincial building?

Hon. Mr. Snow: That particular building is a straight lease, Mr. Chairman. I'm not completely aware of all the details—it was before my time in the ministry—but it is not a leaseback. It is not a government-owned building.

We have given considerable attention to our leaseback procedures and have made changes in the way we call the tenders and design the buildings. That particular building is a straight lease—I believe it's a 20-year lease—and the building is owned by a development company from Ottawa.

Mr. Sargent: I am trying to establish your policy, Mr. Minister. Was that a proposal system or a tender deal?

Hon. Mr. Snow: I believe it was advertised. It was advertised for proposals from firms to build a building and lease it to us. It's not a leaseback; it's not a buy-back type of arrangement. It's a straight lease of office accommodation.

Mr. Sargent: It wasn't a tender deal?

Hon. Mr. Snow: It's not a tender because we are not tendering to buy something.

Mr. Sargent: My point is that I am advised a top Tory got the contract. That's what I'm advised.

Hon. Mr. Snow: I wouldn't know that.

Mr. Sargent: We'll check that out when we get to leases. But thank you for your promise to deliver me 1,600 leases—

Hon. Mr. Snow: I'm sorry, you are going to have to wait for that information.

Admiral Leaseholds from Ottawa is the owner of that building in Kingston and a Mr. Freedman is the principal.

Mr. Sargent: So that's your answer?

Hon. Mr. Snow: Whether he is a Tory or not, I wouldn't know.

Mr. Sargent: I think you do know that. I thank you for your commitment to deliver to me 1,600 leases by June 1, but I say to you I'll bet you a bottle of whisky I don't get them.

Hon. Mr. Snow: Mr. Chairman, I didn't say I would deliver the 1,600 leases to the hon. member because we'd need two trucks to bring them, but I will get them.

Mr. Sargent: I'll provide the trucks and everything.

Mr. Chairman: Is vote 701 carried?

Vote 701 agreed to.

On vote 702:

Mr. Chairman: We will have the vote which we have been discussing, 702.

Mr. Young: On 702, Mr. Chairman—

Mr. Chairman: The member for Yorkview.

Mr. Young: The member from Timmins, who is occupied in the other committee this morning, asked me to make inquiries of the minister in connection with a building which has been talked about in Timmins for some years—two to three years or more possibly, I understand—a government building which was to co-ordinate the various departments there. He wanted to know whether or not that is being discussed at all or whether the whole matter has been dropped. It doesn't appear in the capital works programme, either actual or projected.

Hon. Mr. Snow: No, it's not in the capital programme but it is in our leaseback programme. The site has been purchased from the Board of Education in Timmins and the rezoning has been carried out. In fact, an additional piece of land was purchased to enlarge the site because when our research was completed we needed a larger building than we had anticipated for the growth expected in the space requirements.

This building is being designed at the present time. It is being designed so that it can be added to so that in a few years' time, if we run out of space, we won't have to go looking for another site or another building. We'll be able to add to this building.

I believe our estimated tender call date is sometime later on this year or very early next year.

Mr. Young: Mr. Chairman, this will be a leaseback arrangement? A private company will be building and you will be leasing from the company? Is there any information as to—

Hon. Mr. Snow: Under our procedures now, when we use leaseback, Mr. Chairman, we buy the site ourselves. We have the building designed—complete working drawings—and then we advertise by public tenders for someone to build the building and lease it to us for a period, which is usually 25 or 30 years. At the end of that time we will own the building. This is our procedure. The leaseback programme does not show in our blue book. I think perhaps next year I'll give serious consideration to having an additional flyleaf in the blue book that would show the proposed leaseback projects.

Also, Mr. Chairman, we have several of these buildings. The hon. member for Windsor-Walkerville inquired the other day as to why the Windsor building—which is going to tender in June or July, July I believe it is—wasn't in the blue book, and it's the same reason.

Mr. Young: Could I ask the minister one question? I may have missed it. Did the minister say when this building might go to tender?

Hon. Mr. Snow: I said late this year or early next year. My staff may have the exact date. Yes, it's January, 1975.

Mr. Young: Thank you very much.

Mr. Chairman: The member for Windsor-Walkerville.

Mr. B. Newman: Mr. Chairman, the minister made mention of the public building that was going to be constructed in Windsor. He mentioned also that the tenders would be called in June or July. Is that firm, Mr. Minister?

Hon. Mr. Snow: I am sorry, I am a liar for a month. It is August.

Mr. B. Newman: That is quite all right. I appreciate that very much. Now is that going to be on a leaseback basis too, similar to the one that the previous member had made mention of?

Hon. Mr. Snow: Yes.

Mr. B. Newman: Will that building include the registry office or provision for a registry office?

Hon. Mr. Snow: Yes, the registry office I believe, as I recall the plans, occupies the second floor of the building, the total second floor. It is bout a six or seven story building and one floor is totally for the registry office accommodation.

Mr. B. Newman: Mr. Minister, you make mention of a sixth and seventh floor. Is that not really cutting down the size of the original intent? If I am not mistaken I had heard it was originally going to be an 11 or a 12 floor building. This goes back maybe two years ago, Mr. Minister.

Hon. Mr. Snow: Well of course we changed sites Mr. Chairman. The one site we were proposing through negotiations with the city of Windsor, but at the suggestion of the city council we arranged to use another site and consequently the building design changed somewhat. I don't think the square footage of our building has decreased of any account. It may be more than six or seven; I think it is more like about eight or nine storeys they are building.

Mr. B. Newman: On what site is it going to be located? Is it going to be located right across from the present county court building?

Hon. Mr. Snow: It is across the street from the county court building and there is a little grocery store on the corner of the site. I don't recall the street name. Does the hon. member know the site I mean now? I think it is block six of the redevelopment scheme of the city of Windsor.

Mr. B. Newman: You have described it well, Mr. Minister. Apparently you are familiar with it. Where had you originally planned to locate this building? What were the original plans for the location of the building?

Hon. Mr. Snow: The original site was where the tourist information centre sits. That was a provincially-owned site which was leased to the city of Windsor for $1 a year and they made it into a park. The city said: "Let us exchange land. We'll keep the park and we'll give you another block." One was bigger than the other. I think we paid so much a square foot extra and got a larger site.

Mr. B. Newman: Right. I think it was a good deal on both sides.

May I ask of the minister, concerning the letter I had written to him about St. Mary's Academy, if he can recall it: Has the minister looked into any possible uses by the ministry for the St. Mary's Academy building? Remember I mentioned that it could be used for—

Hon. Mr. Snow: Did I not reply to your letter?

Mr. B. Newman: Not at all, Mr. Minister.

Hon. Mr. Snow: Sorry.

Mr. J. E. Stokes (Thunder Bay): Oh, oh; heads will roll!

Interjections by hon. members.

Hon. Mr. Snow: I know I spoke to the hon. member about it. We certainly had looked previously into the St. Mary's Academy building and had circulated other ministries of the government to see if any ministry had use for these facilities. To my knowledge, to date we have not found any interest in the particular facility, but my staff say they are still investigating it.

Mr. B. Newman: Thank you, Mr. Minister.

Mr. Chairman: The member for Thunder Bay.

Mr. Stokes: Yes, I'd like to get some information from the minister on the new complex that is nearing completion in the city of Thunder Bay, sort of regional offices—

Hon. Mr. Snow: The mini-Queen's Park, do you mean?

Mr. Stokes: Yes, the mini-Queen's Park, okay; now you know what I am talking about.

I have been talking to several people within various ministries in the region of late and when I ask them when they are going to move into their new quarters some of them seem quite concerned that there won't be any room for them. It was my understanding when the thing was designed that it was going to accommodate all of the ministries which had any dealings with the people at all. Because of the limitations of the site and the height restrictions since it's within the flight path of Thunder Bay airport, you are limited in height and you are limited because of the size of the site. There are a good many people—

Hon. Mr. Snow: No, that's not quite right.

Mr. Stokes: I am told by the people in the various ministries, like the Ministry of Education, that they feel all their people won't be accommodated there; Community and Social Services won't be accommodated there, the Ministry of Natural Resources has three sites now in the city of Thunder Bay.

I thought the overall obective of this mini-Queen's Park was to bring all of these people together and give them a better opportunity to liaise and co-ordinate their various programmes on a regional basis. It was going to provide an opportunity for the public to make one stop do in an area where the traffic wasn't too great. It is fairly close to the main arteries in and out of the city, via the Lakehead Expressway.

I am told the building is going to be completely inadequate. I would like some assurance from the minister to the contrary, because from what I am told by most people involved or looking for accommodation in the building, they feel there is no way everybody can be accommodated. Are you too far along the way to have another look at it and see how you can accommodate most of the people who expect to be housed?

Hon. Mr. Snow: I would like to thank the member for exemplifying all the fine aspects of the site of that building and how it is going to serve the people so well because it is so well located. His colleague who sits just behind him didn't feel that way a year or two ago.

I really don't know where the member is getting that information. I must say that some of the requirements of some of our client ministries have increased since the original planning was done for the building.

Mr. Stokes: That's my point.

Hon. Mr. Snow: We had allowed for a considerable amount of expansion; we always allow some expansion space. As you say, the height is limited. We are limited to a four-storey building on this site but the site is all laid out for a duplicate building of the one we are constructing now. The building is being built on only one-half of the site; the building and the parking lot will only occupy 50 per cent of the site. The other 50 per cent of the site is being held for future expansion.

The only change that has been made is that originally, when we designed the building or started to plan the project, we were going to have the environmental lab in the basement of the building—not in the basement; it's a half-down, half-up arrangement. As we got further advanced in the planning we decided it was not suitable to put the lab in the basement so we are now building a separate building on the site to house the lab for the Ministry of the Environment.

That leaves an additional 15,000 sq ft or so which was to be used for the lab. It is now being finished for office space to accommodate some of the increased requirements some of the ministries have come up with. To my knowledge, there is no serious problem that we won't be able to accommodate everything originally anticipated.

Mr. Stokes: If the suspicions of the people I have been talking to are well-founded, will you take another look at it to make sure they are adequately accommodated?

Hon. Mr. Snow: I can't look at suspicions but I do keep very close track of this and we will review the situation to see whether we are going to be short of space.

Hon. Mr. Snow moves that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply reports a certain resolution and asks for leave to sit again.

Report agreed to.

Hon. Mr. Snow moves the adjournment of the House.

Motion agreed to.

The House adjourned at 1 o'clock, p.m.

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No. 47



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Monday, May 13, 1974

Afternoon Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, MAY 13, 1974

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

CONFERENCE OF ATTORNEYS GENERAL

Hon. R. Welch (Provincial Secretary for Justice and Attorney General): Mr. Speaker, it will be my pleasure tonight to welcome to the province the attorneys general of the other provinces of Canada who are arriving to take part in two days of meetings in Toronto. The purpose of these meetings is to discuss matters of mutual concern and share advice and experience on common problems. The major topic for discussion will relate to the administration of criminal justice in Canada for which we as a group are responsible. We also hope to isolate matters of mutual interest with the federal government and to explore the central implications of such matters in order to determine those aspects which should form the basis for discussion with the Attorney General of Canada.

I would like to point out, Mr. Speaker, that the decision to convene this conference was a joint decision of all provincial attorneys general, who felt it would be most helpful to each of us, to meet and to discuss the current problems in relation to the administration of criminal justice for which we are responsible, in order that we can assist and advise the Attorney General of Canada, who has the legislative responsibility for that subject matter. We feel that by meeting together and discussing such problems we will be in a position to advise the Attorney General of Canada in a very meaningful way with reference to proposed legislative action.

In this connection, Mr. Speaker, in your gallery this afternoon we are pleased to have with us the Attorney General of Manitoba, Hon. Howard Pawley, and his wife; and the Attorney General for the Province of Saskatchewan, Hon. Roy Romanow. I would also like to table the agenda which we will be using for purposes of discussion.

Mr. V. M. Singer (Downsview): Mr. Speaker, it is my pleasure to introduce to you and to the members of the House 125 students from the Associated Hebrew Schools in the riding of Downsview. They are accompanied by teachers Mrs. Ackerman, Mr. Blier and Mr. Morganstein. May I say, sir, that the Associated Hebrew Schools make an annual visit to Queen's Park and the students and teachers are most interested in the affairs which govern the running of our democratic process.

Mr. Speaker: Oral questions.

The hon. Leader of the Opposition.

FIRE IN OHC TOWNHOUSE

Mr. R. F. Nixon (Leader of the Opposition): Thank you, Mr. Speaker. I would like to ask the Minister of Housing if he has undertaken an investigation into the tragic fire in Toronto this morning? The news reports indicated there were no rear exits from these buildings put up for Ontario Housing; even though they do conform to the building code of the municipality, none of them has a way out other than through the front.

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, I would first like to express, on my own behalf and on behalf of the government, a sense of deep sorrow and regret concerning this tragic loss of life. I am sure I speak for all members of the House in that regard.

As for the safety aspects of the dwelling unit, I would like to assure everyone in the House that Ontario Housing in all of its housing projects meets or, in many cases, exceeds all safety and construction requirements set by the municipalities, the province and the federal government.

The building in question was a CMHC designed building which was constructed by OHC in 1965, I believe. I understand all the occupants were trapped on the second floor of the dwelling. I would like to emphasize that all regulations pertaining to construction, exits and the like were adhered to and additional exits on the ground floor would likely not have been of very much assistance.

At the present time, there is an investigation being undertaken by the Ontario fire marshal's office and I have indications that there will likely be an inquest ordered as well. Therefore I would not like to prejudice the investigation at this time by voicing any premature statements as to the technical matters which are being investigated.

Mr. Speaker, on behalf of my ministry again I would like to express the deep regret that this has occurred to tenants of Ontario Housing Corp., for whom we feel a deep sense of responsibility.

Mr. Singer: Mr. Speaker, by way of supplementary, I don't quite follow the minister when he says that front doors are sufficient and the people all seem to have been trapped on the second floor. I know that at Lawrence Heights, the townhouses have both front and back doors. Has there been a change in Ontario Housing specifications that would have eliminated two doors? It seems to have been the specification in the past.

Hon. Mr. Handleman: Mr. Speaker, this particular building—I don't know the building referred to by the member—was built in 1965 and there are no building standards or codes either in existence then or now which require additional exists at the rear. I am not suggesting for one moment that it might not be advisable to have them in the future but this had not been thought of at the time of construction nor has it really been thought of since. Because of design considerations and not necessarily safety considerations, there may be extra exits which have been placed in other buildings; I would have to look into those to see the reasons for the additional rear exists.

Mr. Singer: Mr. Speaker, by way of further supplementary—

Mr. Speaker: The hon. member for Wentworth with a supplementary.

Mr. I. Deans (Wentworth): May I ask one supplementary question? I ask it rather tentatively. Will the minister, in his investigation, require of his ministry that it look back over the last three years to determine whether my recollection is correct and that the matter of the single exit from those particular units was raised with the ministry at that time—I think it was about three years ago—by both the tenants and members of the Legislature with regard to the fire safety aspects of those particular units and other units in Toronto?

Hon. Mr. Handleman: Mr. Speaker, I certainly will look into that to determine whether or not the member's recollection is correct.

Mr. Singer: Mr. Speaker, by way of supplementary.

Mr. Speaker: I think that while there are other members who wish to ask supplementaries, we should not have one member with two supplementaries. The hon. member for Etobicoke.

Mr. L. A. Braithwaite (Etobicoke): Mr. Speaker, may I ask the minister in light of over 2,200 OHC units in north Rexdale and the borough of Etobicoke, if he can assure this House that steps are being taken by his department to ensure that a similar calamity cannot occur in those units?

Hon. Mr. Handleman: Well, Mr. Speaker, before I can make a commitment of that nature, I am sure the hon. member would agree that I should await the results of the Ontario fire marshal's investigation as to the cause of the fire and any recommendations that may arise as a result of that investigation or any subsequent inquest which might be held. We are always concerned about the safety of the people who are living in buildings that have been constructed by Ontario Housing Corp., and I will commit myself to the hon. member to the extent that we will look into the possible weaknesses in any safety regulations that may now exist.

Mr. Braithwaite: A further supplementary—

Mr. Speaker: The hon. member has had a supplementary. Any further supplementaries? The hon. member for Downsview.

Mr. Singer: Is the minister not aware that the buildings in Lawrence Heights have been there for at least 20 years and that the row housing there has both front and rear entrances and has had, so it's really not new, and shouldn't he inquire as to when the standards were changed?

Hon. Mr. Handleman: Well, Mr. Speaker, I made a commitment to the hon. member previously in his first supplementary that I would look into the design considerations that went into the supplying of rear exits in certain other buildings. In this particular building, it is my understanding, it's a front-to-back type of design which may in fact have made it not desirable to have rear exits, particularly when the building code of the time, and any building code which exists now, does not require it. That doesn't mean

that rear exits might not be advisable, and I want to look into that and get some architectural and design advice, as well as safety advice, before taking any steps to correct any problems that might arise from the lack of rear exits.

Mr. Speaker: The hon. Leader of the Opposition.

HOUSING PROGRAMMES

Mr. R. F. Nixon: I have a further question of the same minister, Mr. Speaker. Can he indicate to the House the basis for his optimistic predictions about the levelling off, and in fact the reduction, of the average cost of homes under the influence of certain pieces of legislation and certain other activities of this government and of the federal government, when it appears from the information from the Toronto Real Estate Board that the average price of a dwelling in this jurisdiction went from $54,391 in April to $57,320 in the first nine days of May? Does he have accurate figures, or is he simply putting the best gloss on the statistics that are available in order to use his position, I suppose as he should, to moderate the demand?

Hon. Mr. Handleman: Mr. Speaker, first, if I may comment on the increase in price referred to by the hon. member, this refers to closings of sales which were made some time ago; and there is no question whatsoever that before the government's very positive actions in this area, prices were rising. On the other hand, all of the information we have from a variety of sources indicates that not only has there been a stabilization, which in my optimism I felt we should look for this month, but there has been in fact a steady reduction; there are also many properties which are not moving at their presently listed prices, and those are going to have to come down. I expect the movement to accelerate over the next two months.

Hon. A. Grossman (Provincial Secretary for Resources Development): How about that, Morty?

Mr. M. Shulman (High Park): Wait until October.

Mr. R. F. Nixon: A supplementary: Since the minister's programme is geared to the so-called housing action programme, can he now indicate which municipalities are prepared to reduce their requirements for subdivision approvals in order, let's say, to improve the record of delay which has hindered these approvals for so long?

Hon. Mr. Handleman: Mr. Speaker, I don't believe I have ever suggested that it was necessary for municipalities to reduce their standards for subdivision approvals. We had asked a number of municipalities to accelerate the process of subdivision approval in line with our own cutting of red tape within the ministry and many of them have indicated a willingness to do so. There are a number of details, and in my view these are now becoming very minor details; however, I don't want to pre-empt the prerogative of any municipality to make its own announcement at a public meeting of council when everyone will get the news.

Mr. R. F. Nixon: A supplementary: Would the minister indicate that a reduction of standards was a part of his programme when the town of Mississauga said that the minister or his advisers had asked it to approve programmes without parks and without libraries?

Hon. Mr. Handleman: Mr. Speaker, we have never suggested that they approve programmes without parks or without libraries. What we did say was that parks and libraries were normal social services which would be provided to all residents of the municipality, including those who came in under the housing action programme. We have offered them unconditional grants. It seems to me to be inconsistent for municipalities to be asking for unconditional money and then to come back to the province and say let's have a shared-cost programme. We believe our unconditional grants are generous and are sufficient to provide the social amenities the hon. member is mentioning.

Mr. Speaker: The hon. member for Ottawa Centre.

Mr. M. Cassidy (Ottawa Centre): Supplementary: Can the minister explain what it will do for families earning $10,000 or so a year, if housing prices do stabilize at a level which is accessible only to people earning upwards of $20,000 a year?

Hon. Mr. Handleman: Mr. Speaker, once again the hon. member fails to recognize the domino effect.

Mr. J. F. Foulds (Port Arthur): In John Foster Dulles' famous phrase.

Hon. Mr. Handleman: As houses are occupied, other houses become empty. Certainly as we increase the supply to a variety of programmes, there will be more and more housing of a variety of types available to people in all income groups.

Mr. Speaker: The hon. member for Ottawa East.

Mr. A. J. Roy (Ottawa East): Mr. Speaker, I have a supplementary in relation to the levelling off of the price of housing. Isn't the minister being somewhat premature in attributing the levelling off to the speculation tax, when certain real estate boards—among others, Ottawa—have said that there was a levelling off expected and, in fact, the levelling off has nothing to do with the speculation tax? What evidence does the minister have—

Mr. W. Hodgson (York North): Talk to real estate agents.

Mr. Roy: —to go around and attribute this levelling to what he calls positive measures by this government?

Hon. Mr. Handleman: Mr. Speaker, in my speech in Hamilton last week I mentioned three factors which have led to it, one of them being the speculation tax. If my hon. friend doesn't believe that, I suggest he call Mr. Kirkup of LePage Realtors who has been saying now for two weeks that it was going to happen.

Mr. S. Lewis (Scarborough West): Go on!

Mr. Roy: What about Ottawa?

Hon. Mr. Handleman: Anyone with any sense of reason whatsoever could expect nothing else to happen, except a drop in prices.

Mr. Lewis: I ran against his brother and one can't believe a word that that man says.

Hon. Mr. Handleman: I also attributed part of the drop to the increase in the mortgage rates. When I was asked the question by the hon. Leader of the Opposition a few weeks ago, I told him that I felt this would be a measure which would have a depressing effect on house prices.

Mr. Lewis: Depressing is right.

Hon. Mr. Handleman: The third reason is the number of people who are overcommitted, who found themselves holding a large number of properties and must now dump them on the market.

Mr. Shulman: Supplementary.

Mr. Speaker: The hon. Leader of the Opposition. There have been five supplementaries, which I believe is reasonable.

JOSEPH BURNETT

Mr. R. F. Nixon: Finally, Mr. Speaker, I'd like to ask the Solicitor General if he read the story in Saturday's Globe by Peter Moon entitled "The Success Story of Joseph Burnett"? Does he recall on April 1, I believe, when the matter was raised pertaining to the laundering of money, and then later when it was raised as to the alleged establishment of a restraint of trade in potatoes—which the Minister of Agriculture and Food (Mr. Stewart) is investigating—that he assured the House that the gentleman referred to in these articles was investigated by the Law Society of Upper Canada? Can he assure the House that that investigation was on his current activities, and in fact that Mr. Burnett, let's say after the investigation, was reported to the Solicitor General as above reproach in these circumstances?

Mr. Shulman: No, that's not right.

Hon. G. A. Kerr (Solicitor General): Mr. Speaker, the Law Society was involved in investigating Mr. Burnett as far as the matter of laundering money was concerned.

Mr. R. F. Nixon: When?

Hon. Mr. Kerr: At the time it was raised by the hon. member for High Park.

Mr. R. F. Nixon: That was some three weeks ago.

Hon. Mr. Kerr: About that time, yes, and before the discussion in respect to potatoes and food prices.

Mr. R. F. Nixon: But within this session? During this session?

Hon. Mr. Kerr: Yes. As far as Mr. Burnett is concerned, the investigation is going on as regards the laundering of money. There is also an investigation into the question asked by the hon. member of the Minister of Agriculture and Food in respect to potatoes. This doesn't necessarily just include Mr. Burnett. The whole matter would involve, as I mentioned before, the food council and the possibility of charges under the Combines Investigation Act.

Mr. R. F. Nixon: Supplementary: The minister then can assure us that there is an investigation that was initiated, let's say during the last six weeks, by the Solicitor General. Can he tell us whether or not he will be able to table the results of that investigation? Is it just sitting in some backroom somewhere or is he taking positive action, since we

hear about this man on a fairly regular basis and his involvement in this community?

Mr. Roy: Let the Solicitor General tell us he is concerned.

Hon. Mr. Kerr: Mr. Speaker, in the course of an investigation there has to be sufficient evidence in order to lay charges. That investigation, therefore, until that happens, carries on. As far as the story in Saturday's Star is concerned, dealing with the incident of laundering money and Mr. Burnett, there was really nothing new in that story.

Hon. Mr. Grossman: Now you can't even get a shirt laundered.

Mr. Roy: The minister read the wrong newspaper. It was the Globe.

Mr. Speaker: The hon. member for High Park.

Mr. Shulman: Supplementary, Mr. Speaker: In actual fact did not the Law Society confine themselves to investigating whether Mr. Burnett had broken any of their rules? And did not their report say that in actual fact he had broken no rules of the Law Society and that was all they were investigating?

Hon. Mr. Kerr: Mr. Speaker, I think the Law Society's standards go beyond criminal law. It is a question of ethics and a breach of conduct becoming a barrister and solicitor in Ontario; and certainly if there was any indication of involvement in any criminal activity, the Law Society, of course, would rule on that as well.

Mr. Roy: Supplementary, Mr. Speaker: I wonder if I might ask the minister whether he can assure the House that this gentleman, or any of his related companies, have not had any dealings whatsoever with any government agencies or departments?

Hon. Mr. Kerr: Mr. Speaker, I am not aware that any firm in which Mr. Burnett is involved has an officer or director who is dealing with the provincial government. I am not aware of that situation existing.

However, as the hon. member knows, Mr. Burnett is involved in a number of companies, mainly in the insurance field; and that, of course, is part of our investigation.

Mr. Speaker: I think the hon. member for Downsview has one more question.

Mr. Singer: Could the Solicitor General tell us whether his investigations have revealed anything about the suggestions of control of the potato business involving the same gentleman who has been under discussion?

Hon. Mr. Kerr: That investigation is going on, Mr. Speaker. We haven't completed that investigation; and when we have, the House will know the results.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. M. Gaunt (Huron-Bruce): Supplementary, Mr. Speaker: Could the minister indicate if Mr. Burnett has ever done business with any provincial ministry or agency personally, aside from any company with which he is associated?

Hon. Mr. Kerr: Obviously, Mr. Speaker, the gentlemen opposite have some information that I apparently do not have; and I can only repeat my answer. Mr. Burnett is involved in a number of companies and apparently from the names of those companies they appear to be legitimate operations.

As far as personal involvement with the province is concerned, again I am not prepared to say. There is such a wide field. Who knows, he may have acted as an assistant Crown attorney at one time.

Mr. Roy: No, no.

Hon. Mr. Kerr: I am not able to say emphatically whether or not he has had any dealings with the province.

Mr. Speaker: The hon. member for Scarborough West.

HOUSING MORTGAGE RATES

Mr. Lewis: May I ask the Minister of Housing what representations he has made to his colleagues in Treasury Board to make on behalf of the Province of Ontario to the federal government over the continued and absurd increases in interest rates as they apply to mortgages in Canada, specifically in Ontario, and particularly over the last 24 hours?

Hon. Mr. Handleman: Mr. Speaker, I have made no representations to my colleagues. I have been watching the progress of this and we have instituted a very complete and comprehensive study of the effects of this, both on private housing and publicly assisted housing—

Mr. Lewis: What does it show the minister?

Hon. Mr. Handleman: We have instituted the inquiry only since the last increase and they are coming in so fast it is very difficult to keep up with them.

Mr. Lewis: Mr. Speaker, by way of supplementary: Is the minister aware that the increases in the last 14 or 15 months alone will add to the average price of a home over the 35-year amortization, which is now regular in Ontario, something like $34,600 beyond what it was in February, 1973, at 11½ per cent. If it goes as high as 12 per cent, it will mean $41,000 more over the life of a home—

Hon. Mr. Grossman: This government made representation over six months—

Mr. Lewis: And since the minister is so active in protecting the consumers and the purchasers of Ontario, when is he going to introduce a tax credit scheme to lower the effective rate of interest to six per cent?

Hon. Mr. Handleman: Mr. Speaker, once again the hon. member faces me with an arithmetic calculation which I haven't had an opportunity to check; but I accept that his research is usually quite dependable and accurate, so I am not going to argue with his figures.

On the other hand, there is no question whatsoever that interest rates as they rise, become cheaper as they go along, in terms of rising income—in terms of real dollars.

Mr. Cassidy: What?

Mr. Lewis: Just say that again. Say that once again.

Mr. Deans: That interest rates become, as they rise, cheaper as they go on?

Hon. Mr. Handleman: Mr. Speaker, if you buy money today at 12 per cent and your income increases at the rate of nine or 10 per cent over the next five years in fact, the money is cheaper, five years from now than it is today. I am not suggesting that as an excuse—

Interjections by hon. members.

Mr. Lewis: Now there's profundity.

Hon. Mr. Handleman: I am giving the hon. member an arithmetic calculation to check out.

Mr. R. F. Nixon: A negative rate of increase.

Mr. Foulds: That's the London School of Economics coming out again.

Hon. Mr. Handleman: Mr. Speaker—

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. Handleman: It is a simple, economic principle, Mr. Speaker, if you buy dear dollars with cheap dollars, the dollars are cheaper—and that's fairly simple. I am sure even the hon. member will understand that.

Mr. Lewis: That's very useful to have on the record.

Mr. Speaker: Order.

Hon. Mr. Handleman: Mr. Speaker, we have looked at the impact of interest rates, not so much with regard to reducing them to six per cent, but as to whether or not we can maintain at 8¾ per cent, a preferred lending programme without federal participation, since they have $80 million which is not being used in Ontario because of the weakness of their own programme. We would like to add that $80 million to our own to expand the publicly assisted portion of our housing programme.

Mr. Shulman: A supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for High Park.

Mr. Shulman: Is the minister aware that a person buying a house today, at say nine per cent less than he could have bought it last month, if that is in fact the figure, would in actuality be paying more for the cost of the house because of the increase of some 14 per cent in carrying charges in the last month?

Hon. Mr. Handleman: Assuming, Mr. Speaker, one didn't buy a mortgage with it as well.

Mr. Shulman: One must have a mortgage.

Mr. Speaker: The hon. member for Etobicoke.

Hon. Mr. Handleman: That would be buying the mortgage, that's the thing.

Mr. Lewis: Only the minister buys houses without mortgages.

Mr. Braithwaite: Mr. Speaker, I'd like to ask the minister if he would consider recommending to cabinet that the proceeds of the new speculative tax, that which is levied in the bills on the new speculative taxes on

real estate, be used by this government to provide very low interest second mortgages for people who have incomes of less than $10,000 a year?

Hon. Mr. Grossman: They get 8¾ per cent money now in Ontario.

Hon. Mr. Handleman: Mr. Speaker, the Treasurer (Mr. White) has already committed himself to sharing the proceeds of the speculation tax with the municipalities.

Mr. Lewis: They're great profit sharers over there.

Hon. Mr. Handleman: Perhaps I can get some of it for the purpose the hon. member suggests, but I would like to have more money to operate our 8¾-per-cent programme which is now in existence for first mortgages.

Mr. Speaker: The hon. leader of the New Democratic Party.

HOUSING PROGRAMMES

Mr. Lewis: May I ask the minister—since he is systematically excluding everybody under $18,000 a year from ever owning a home in the Province of Ontario, can he indicate to us, given that the average rent for Metropolitan Toronto for a three-bedroom apartment is now $323 a month, meaning an income requirement of something between $15,000 and $16,000 a year—how many additional units of rent-geared-to-income housing is he providing in Ontario in this year?

Hon. Mr. Handleman: Mr. Speaker, first of all, I have constantly said that our programmes are all geared to the person under $18,000, and not just at $18,000 as my friend from Ottawa Centre continually says.

Mr. Cassidy: The minister gives them the gears, that's why.

Hon. Mr. Handleman: I would have to check the figures for rent-geared-to-income, but in fact we are increasing our production; the figures should be available to us on a projected basis within a day or two. We have some projections. I have been looking at them just in the last day or two and I would rather give the hon. member accurate projections.

Mr. Lewis: The minister doesn't have that at hand on this the most important part of Ontario's housing programme? The minister doesn't have those figures at hand? He doesn't know where the ministry is going now on geared-to-income housing?

Hon. Mr. Handleman: Mr. Speaker, the hon. member assesses this as the most important part of the programme.

Mr. Lewis: Sure it is. It's for low-income owners; something this ministry hasn't grasped yet. This government has programmes for the rich.

Hon. Mr. Handleman: I consider there are a variety of programmes, all of equal importance to which we're devoting an equal amount of energy.

(Interjections by hon. members.

Mr. Speaker: Order. The hon. member for Scarborough West.

RADCLIFFE PETITION

Mr. Lewis: A question, if I may, of the Minister of Community and Social Services: How is he going to respond to the petition from the council of the township of Radcliffe and 300 of its residents, pleading with him to turn St. Mary's convent into a nursing home for senior citizens in the Madawaska Valley?

Hon. R. Brunelle (Minister of Community and Social Services): Which township?

Mr. Lewis: The township of Radcliffe in the Madawaska Valley. It's near Renfrew. It's in eastern Ontario, so the minister may have paid no attention to it; but the petition is from that area.

Hon. Mr. Brunelle: Mr. Speaker, if it's residential care certainly it's definitely our ministry's responsibility; but often what happens today is that some of the residents are on extended care and some are residential. We work very closely with the Ministry of Health in this area.

I'd be pleased to let the hon. member know where the matter stands. What date is that petition?

Mr. Lewis: Mr. Speaker, the meeting was Friday, May 3, involving 300 residents of the Madawaska Valley. The letter to me from the township of Radcliffe is dated May 7.

Hon. Mr. Brunelle: I haven't seen that letter yet, Mr. Speaker, but I'd be pleased to look into it.

Mr. Lewis: All right. By way of supplementary: Is the minister apprised of how critical the situation is throughout the Madawaska Valley and Renfrew county in the matter of senior citizens' accommodation and nursing home accommodation; and of the need for him to do something other than to visit the communities hand in hand with the members, the Tory members?

Hon. Mr. Brunelle: I am very much aware, Mr. Speaker, and the hon. member probably is aware, that both the Minister of Health (Mr. Miller) and I attended a meeting around December of last year, I believe—

Mr. Lewis: I know about the meeting.

Hon. Mr. Brunelle: We asked the representatives at that meeting—there were representatives from the county and from the various other organizations, as well as municipal representatives—if they would estimate, as closely as they could, the actual need in terms of residental care and extended care, and send us that. According to my information, Mr. Speaker, I have not as yet received the results of that survey. But there are some ongoing discussions between the Ministry of Health and my ministry, and we will definitely meet the needs of the people in that area. If it's nursing home care—

Mr. R. Haggerty (Welland South): That is long-term.

Mr. Lewis: Well, that hasn't happened yet.

Hon. Mr. Brunelle: It will.

Mr. R. F. Nixon: A supplementary, Mr. Speaker: Does the minister agree, specifically in connection with the convent that was referred to in the question, that there is a tremendous reason for the minister and his advisers to seek out good facilities such as this that have changed their function within the community, so that we can use the facilities that are built without having to fork out the dollars for expensive new buildings, particularly when these are designed and would be useful even now, without any delay?

Hon. Mr. Brunelle: Certainly, Mr. Speaker; exactly. We are entirely in agreement with what the hon. leader of the official opposition has said. That's why last June we amended our legislation, The Homes for the Aged and Rest Homes Act, whereby we have a tremendous amount of flexibility: we can rent existing premises; we are using the foster care programme. What the three ministries are doing now in some areas—the Ministry of Housing, the Ministry of Health and my ministry—is we are looking at a complex of senior citizens apartments, nearby residential accommodation and extended care facilities so that those citizens can be together and we can provide the services. This is exactly the area we are moving in, but sometimes it takes a little time to know the exact needs.

Mr. Lewis: Yes, especially in eastern Ontario.

Hon. Mr. Brunelle: Oh, we'll look after eastern Ontario.

Mr. Speaker: The hon. member for Scarborough West.

ENVIRONMENTAL IMPACT OF PUBLIC WORKS

Mr. Lewis: A question of the Minister of the Environment: Where is the inquiry officer's report on the Arnprior dam?

Hon. W. Newman (Minister of the Environment): I believe I have signed that. The inquiry officer's report is in hand—

Mr. Braithwaite: He's got it.

Hon. W. Newman: —and the owners will be notified first by registered mail.

Mr. Braithwaite: He's got a copy.

Mr. Lewis: A supplementary: If I recall correctly, the Minister of Energy (Mr. McKeough) indicated a week or so ago that the Minister of the Environment had signed it and it was on its way to the owners. Can it not now be tabled in the House?

Hon. W. Newman: Well, I signed the reports, and they all went out together.

Mr. Lewis: Will the minister table it in the House?

Hon. W. Newman: I'll give the hon. member a copy if he'd like to have it.

Mr. Lewis: I would very much like to have it.

Mr. R. F. Nixon: We should have a copy, too.

Mr. J. R. Breithaupt (Kitchener): I think we should have one.

Mr. Gaunt: A supplementary: May I ask the minister, has he received the inquiry officer's report with respect to the Douglas Point power line?

Hon. W. Newman: No, I have not as yet.

FREE PRESCRIPTION DRUG PROGRAMME

Mr. Lewis: I have one last question, Mr. Speaker, of the Minister of Health. Can he explain why the estimated 10,000 people who are not entitled to the GAINS programme introduced in the budget, because they are not eligible for the guaranteed income supplement, have not been given the free prescription drug programme which was announced along with it in the budget?

Hon. F. S. Miller (Minister of Health): Mr. Speaker, any attempt to define which group is excluded is a bit premature, I think, because the working groups are still establishing the criteria by which people either get GAINS or the drug programme. I understand within the next day or two I am to have a report on it from our own staff.

Mr. Lewis: Well, by way of supplementary, the minister will recall the specific reference to a large group of people—I think 10,000 was the number—who would be incorporated anyway in the basic monthly income, even though they didn't meet federal residency requirements, but who were specifically not included in the extension of drug care. Can he give an undertaking that these people will be included?

Hon. Mr. Miller: No, Mr. Speaker, I can't give an undertaking. I only say that we have decided to look at all of the criteria so that this figure which was announced earlier may no longer be applicable.

Mr. Lewis: One last supplementary: how is it that the Province of Manitoba is so much more enlightened in its budgeting that it can offer a pharmacare programme for all the residents of its province in its most recent budget, whereas Ontario is still so far behind?

Hon. Mr. Handleman: They're not building any houses.

Hon. Mr. Grossman: How many houses have they built?

Hon. Mr. Miller: Well, I must admit that the question of that enlightenment might depend upon one's perspective.

Mr. Lewis: Well, my perspective sees enlightenment.

Hon. Mr. Miller: Ah, I am so pleased, I am so pleased.

Mr. Lewis: Right you are.

Interjections by hon. members.

An hon. member: That's a point of view.

Hon. Mr. Miller: Yes, it is. The hon. member might have missed such things as ambulance services, which they don't have.

Mr. Lewis: As a matter of fact, that is a slander. I know nothing about it, but I am sure they do, Mr. Speaker!

Mr. Speaker: Does the hon. member for Scarborough West have further questions?

The hon. member for Downsview is next.

LAWRENCE HEIGHTS COMMUNITY CENTRE AND SWIMMING POOL

Mr. Singer: Mr. Speaker, I would like to ask the Minister of Housing whether or not he has received representations from the tenants of Lawrence Heights in connection with the construction of a community centre and swimming pool, and if he would be prepared to match whatever grants may be given in that regard by CMHC?

Hon. Mr. Handleman: Mr. Speaker, I have not received any representations—and I always give careful consideration to any representations submitted to me.

Mr. Singer: By way of supplementary, would the minister have his officials inquire, because when this was discussed at a recent meeting, two of the ministry's officials were in the audience and one would have thought that they would have brought him back a report. If they haven't, could the minister tell us why they haven't?

Hon. Mr. Handleman: I will certainly inquire to see whether or not there are any people on my staff who have any information on it.

Mr. Singer: They were there and I talked to them. They are very nice people and they should have reported to the minister.

Hon. Mr. Handleman: It may very well be that they should have reported to me and probably they are awaiting some kind of a formal submission.

Mr. Singer: Speak to them.

Mr. Speaker: The hon. member for Yorkview.

WCB STAFF CAR MILEAGE RATES

Mr. F. Young (Yorkview): Mr. Speaker, a question of the hon. Minister of Labour: Has there been or will there be any change in the order that has gone out that rehabilitation counsellors under the Workmen's Compensation Board must provide themselves with their own motor cars if they drive less than 15,000 miles per year, and therefore go on a mileage basis?

Hon. F. Guindon (Minister of Labour): Mr. Speaker, this whole matter is being looked at at the present time. I don't think I could possibly give a definite answer.

Mr. Deans: Everything is being looked at.

Mr. Lewis: He must be exhausted from looking.

Mr. Deans: When is the minister going to do something instead of looking?

Mr. Young: A supplementary, Mr. Speaker: Is the minister aware that many of the counsellors are very concerned, because of the size of mortgages on their homes and other commitments, that this will drive them far into debt and they are very concerned about that debt.

Hon. Mr. Guindon: Yes, they are concerned, Mr. Speaker, and, indeed, so am I.

Mr. Young: When is the minister going to do something about it?

Mr. Speaker: The hon. member for Etobicoke.

HIGHBOURNE LODGE

Mr. Braithwaite: Mr. Speaker, I have a question of the Minister of Health. He is no doubt aware of the article which appeared recently in the Etobicoke Guardian concerning Highbourne Lodge and the question of neglect. Is the minister prepared at this time to comment on the conditions at Highbourne Lodge in Etobicoke?

Hon. Mr. Miller: No, Mr. Speaker, I am not prepared to comment on it. I know that each time we get a complaint from any nursing home licensed by the Ministry of Health, no matter how frivolous it may seem to be, we ask an inspector to go to that location and to investigate the complaint and report back to us. I have not received a report back on Highbourne Lodge, but I shall check into it.

Mr. Braithwaite: Will the minister report to the House when he does get a report on this?

Hon. Mr. Miller: Mr. Speaker, I think my object in any type of action is to improve the conditions in a given institution. Often this is best done in direct dealing with the people who have problems rather than in publicizing them.

Mr. Speaker: The hon. member for Wentworth.

DEATHS AT FERGUS PLANT

Mr. Deans: Mr. Speaker, question of the Minister of Health: Can the minister indicate whether the investigations into the death of the four workers at the General Steel Wares Ltd. plant in Fergus has been completed—as was indicated by Dr. Tidy on Wednesday of last week that it would be by now—and whether or not the deaths are to be attributed in any way to the use of a coolant as was suggested by the doctor in his recent press statement?

Hon. Mr. Miller: As you know, Mr. Speaker, we did go into this plant right away. In fact, I understand we were in touch with other plants using the same coolant. It is my understanding that at least one plant has discontinued the use of the coolant pending results of our study.

The study of the four deaths referred to showed there was no relationship at all between the coolant and the deaths. In fact, the deaths were not of the same type and there seems to be no suspicion attached to that coolant at this point in time.

Mr. Deans: A supplementary question: Is that the result of the investigation by Dr. Tidy, or is that the result of the coroner's inquest which was conducted into the four deaths?

Hon. Mr. Miller: I received a report from Dr. Tidy to that effect.

Mr. Deans: One final supplementary question: Can the minister now indicate clearly that there are no other plants, including Canadian Westinghouse in Hamilton, that need worry about the use of that particular coolant?

Hon. Mr. Miller: Mr. Speaker, I can only base it upon the advice I have been given. On that basis, there is no need to worry.

Mr. Speaker: The hon. member for Ottawa East.

SUDBURY GENERAL HOSPITAL

Mr. Roy: Mr. Speaker, a question of the Minister of Health: Following the inquest into the unfortunate situation at the Sudbury General Hospital—which has been over now for a month and a half—what directives has the minister sent to the various hospitals across the province to assure that the mixup in gas lines will not be repeated in this province? What directives has the ministry sent?

Hon. Mr. Miller: I have the feeling that if I answer one of these questions correctly I might win a prize. But just to have the hon. member asking me questions is reward enough. I can safely say that—

Mr. Roy: I don't get the minister's humour at all.

Hon. Mr. Miller: It is all right. I am sorry about that. I am not being humorous about the issue.

Mrs. M. Campbell (St. George): That's good.

Hon. Mr. Miller: The issue itself is a very serious one and one on which I intend to take very careful measures to study.

I have read the complete report of the coroner's jury. I have read the recommendations including those given by the expert witnesses; these referred to the Canadian Standards Association's standards and the need to review them. As a result of that I have given this to a technical group within the ministry to study from a feasibility point of view, to report back to me as quickly as it can and for us to act upon once the report comes in.

Mr. Roy: If I might ask one supplementary, Mr. Speaker: Has the minister read the comments by one of the experts that had the ministry accepted these standards—the Canadian safety standards; I think they were enacted in 1963—the mixup in Sudbury and, of course, the following deaths would not have occurred? Why is he waiting to accept this Canadian standard? I trust he will not make any delay in issuing directives so that we don't get a repetition of this problem?

Hon. Mr. Miller: Mr. Speaker, I did not see that particular comment within the context of the report given to me. However, we are going to accept those recommendations of the coroner's jury and its experts which are practicable.

Mr. Speaker: The member for Middlesex South.

PARK NEAR KOMOKA

Mr. R. G. Eaton (Middlesex South): Mr. Speaker, I have a question of the Minister of Government Services. Is the minister aware that lots are now being offered for sale within a proposed subdivision within the boundaries already announced for a provincial park at Komoka?

Mr. Lewis: Well, now!

An hon. member. Oh dear.

Mr. Lewis: What is going on in this issue?

Hon. J. W. Snow (Minister of Government Services): No, Mr. Speaker, I am not aware that lots are being offered for sale in that subdivision. I have not had any report for the last few days relating to our negotiations for that land but I do know my staff have been negotiating with the owners of that particular subdivision.

I believe we obtained two appraisals on the land and have made an offer based on those appraisals. I believe the owner wanted to receive a third independent appraisal before he considered accepting the offer. I also understand that the owner agreed not to carry out any more construction work or bulldozing or any work at all on the land—

Mr. Lewis: I should think not; he has levelled everything in the park.

Hon. Mr. Snow: —until a decision had been made as to whether or not he was going to accept our offer.

Mr. R. F. Nixon: A supplementary—

Mr. Eaton: A supplementary, Mr. Speaker: In light of the fact that he's going ahead by offering lots for sale will the minister take action to expropriate that property?

Mr. Lewis: He promised to expropriate two weeks ago.

Hon. Mr. Snow: Mr. Speaker, if there is to be any expropriation carried out on that land I would first have to have the request from the Minister of Natural Resources (Mr. Bernier) to proceed with expropriation. To my knowledge we have not yet received that.

Mr. Foulds: What's going on?

Mr. R. F. Nixon: A supplementary: Is the alternative that—

Mr. Speaker: I think one supplementary is sufficient.

Mr. R. F. Nixon: —we are going to have a town within the park or is the minister thinking of buying the lots up one by one as they are offered? Surely the minister can give a commitment to the House now that this subdivision is not going to go forward even though his colleagues have fumbled the ball?

Mr. J. E. Stokes (Thunder Bay): The Minister of Natural Resources should stop dragging his feet.

Hon. Mr. Snow: Mr. Speaker, I certainly don't anticipate a town within the park but as I say—

Mr. Lewis: Just a little town; a small community; just a built-up area.

Mr. Stokes: Just a handful.

Hon. Mr. Snow: It might be a very—

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. Snow: Certainly we are taking every step possible within our power at this time to buy the property and negotiate a reasonable settlement with the owner of the particular land.

Mr. Cassidy: In the meantime they are held up to ransom.

Hon. Mr. Snow: I am certainly prepared to proceed with expropriation when I receive the approval of my colleague.

Mr. R. F. Nixon: Is everything all right at Bronte?

Mr. Eaton: A question of the Minister of Natural Resources, Mr. Speaker: Will the Minister of Natural Resources approve action to expropriate?

Mr. Speaker: Order, order. That question is out of order.

Mr. Lewis: I have a very quick supplementary: Does the Minister of Government Services not recall that two or more weeks ago the Minister of Natural Resources indicated that expropriation would proceed if settlement couldn't be achieved? That was while the owner was still bulldozing through the park. Is he now saying that nothing effective has happened from that day to this?

Mr. Singer: It is very hard to stop bulldozing.

Hon. Mr. Snow: I'm saying, Mr. Speaker, that to my knowledge we have not received authorization to expropriate from the Minister of Natural Resources. To my knowledge negotiations have been going along very well; no work has been carried on within the park.

Mr. Lewis: They have finished the first phase.

Hon. Mr. Snow: In view of the knowledge the member for Middlesex South has given me, that lots are being offered for sale, we'll certainly take a look at it.

Mr. Speaker: The member for Windsor West.

Mr. Deans: Will the Minister of Natural Resources get up on a point of privilege and say something?

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, on a point of privilege if I may. If the members will recall, I did make a statement that if we ran into any snags or any problems with the acquisition of land in the Komoka park we would expropriate. I was not aware we were running into a problem at this time and as soon as I hear from the—

Mr. Stokes: Didn't the minister know there was a subdivision in the park?

Hon. Mr. Bernier: —Minister of Government Services—as he has indicated, he is not aware of any problems—

Interjections by hon. members.

Hon. Mr. Bernier: He is not aware of any problems. I can assure the member that if I get any indication, we will take the necessary steps to expropriate. I believe that was the question he asked me.

Mr. Speaker: The hon. member for Windsor West.

COST OF LIVING PAYMENTS TO GOVERNMENT EMPLOYEES

Mr. E. J. Bounsall (Windsor West): A question of the Chairman of Management Board, Mr. Speaker: It has been some time since he announced in the House that the cabinet would be considering a cost-of-living adjustment for Ontario civil servants. When might we expect the announcement of such a wage adjustment because of the cost of living? Why has he not replied to or agreed with the letter from the CSAO, of a couple of weeks ago, that he meet and discuss that matter with them?

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, the answer to the first question is soon. The answer to the second question is, it's a policy matter and we will discuss it with that authority when a decision is made.

Mr. Stokes: That's "soon" and "don't know."

Mr. Speaker: The member for Kitchener.

PENSIONERS' TAX CREDITS

Mr. Breithaupt: Mr. Speaker, a question of the Minister of Revenue:

Does he plan to revise present regulations concerning the pensioner tax credit which in its present form allows old age pensioner taxpayers, except a married couple who share the same dwelling, each to claim the tax credit?

Hon. A. K. Meen (Minister of Revenue): Mr. Speaker, on that point it would be a decision reached, I think, with my colleague, the Treasurer, and other members of cabinet; but we do plan to look at the basic regulations over the next few months as the members well know. There will be some changes in the 1974 programme differing, in terms of amount and credits and the like, from those which applied with respect to the taxation year of 1973.

Mr. R. F. Nixon: A supplementary: Is the minister going to leave it so that they get the extra payment if they are living in sin—

Hon. Mr. Grossman: What's living in sin today?

Mr. R. F. Nixon: —which is the way it is now—without benefit of clergy, would be a better term.

Mr. Shulman: Is that sin?

Mr. Speaker: The member for High Park.

CANADIAN PLASMA PHIRESIS CENTRES LTD.

Mr. Shulman: A question of the Minister of Health, Mr. Speaker: Has he licensed an outfit called Canadian Plasma Phiresis Ltd. which has been purchasing blood in Ottawa at the rate of $8 a shot, taking the red cells out and then pumping the cells back into people who are buying it? Is this the same outfit which was run out of Haiti last year for doing that very thing?

Mr. Roy: In Ottawa?

Hon. Mr. Miller: Mr. Speaker, I have no idea and therefore I'll check into it.

Hon. Mr. Winkler: Has the member got a hedge on the market?

Mr. Speaker: The hon. member for Windsor-Walkerville.

CANADIAN BRIDGE WORK STOPPAGE

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I have a question of the Minister of Labour. Is the minister aware that some 300 employees of the Canadian Bridge division of Hawker Siddeley in Windsor are not working at present? Is he also aware that some of these unemployed do not qualify for social service benefits from the municipality? Will he look into the reason for the work stoppage and have his officials attempt to resolve the issues?

Hon. Mr. Guindon: Mr. Speaker, shortly before lunch I was made aware of this work stoppage in Windsor. I have no further detail at this point but I will get in touch with my senior officials and report to the House tomorrow.

Mr. Speaker: The member for Port Arthur.

HOUSING PROGRAMMES

Mr. Foulds: Thank you, Mr. Speaker; a question of the Minister of Housing: Why is it that when he met with city council in Thunder Bay on April 25 the meeting was held in camera? Why did he not invite the Thunder Bay Housing Authority to attend the meeting? Why has he systematically ignored the advice and recommendations of the Thunder Bay Housing Authority with regard to senior citizens' housing in Thunder Bay over the last year and a half?

Hon. Mr. Handleman: Mr. Speaker, all of our meetings with regional councils and city councils have been in camera for the purpose of negotiating the housing action programme. It means, of course, there are a number of details which may be released prematurely and, maybe, incorrectly in view of the final agreement. We follow that procedure throughout, and I intend to continue it. When the announcements are made after agreements are reached they will obviously be done in public session at a meeting of the

council by motion of the council, which is a public document.

With regard to recommendations of the Thunder Bay Housing Authority on senior citizens' housing, I don't recall having ignored them and I will certainly take a look at those recommendations to see if there is any substance in the hon. member's question.

Mr. Foulds: Supplementary, Mr. Speaker.

Mr. Speaker: The time for oral questions has expired. It has been exceeded, in fact.

Petitions.

Presenting reports.

Motions.

Introduction of bills. The hon. member for Scarborough West.

ONTARIO ENERGY BOARD ACT

Mr. Lewis moves first reading of bill intituled, An Act to amend the Ontario Energy Board Act.

Motion agreed to; first reading of the bill.

Mr. Lewis: Mr. Speaker, this is a bill which finally gives to the Ontario Energy Board authority and power to control prices of wholesale and retail gasoline, to requisition statements from the oil companies at any point at which they would increase their prices beyond the date of the bill, and levies fines of up to $10,000 per day on any company which refuses to conform to the directives of the Ontario Energy Board. It is meant, Mr. Speaker, to avoid the gouging of the consumers of Ontario of an additional $66 million effective this Wednesday.

GASOLINE RETAILERS BILL OF RIGHTS ACT

Mr. Deacon moves first reading of bill intituled, An Act to establish the Gasoline Retailers Bill of Rights.

Motion agreed to; first reading of the bill.

Mr. D. M. Deacon (York Centre): Mr. Speaker, this bill is intended to prevent unfairness to the gasoline retailers in the province and also protects the oil companies against unfair practice or second-rate service to the motoring public. I was surprised last week to hear that the minister didn't have any sort of answer to this problem and this is a bill that has been worked out by co-operation between retailers and the oil companies.

Mr. Lewis: Mr. Speaker, on a point of privilege I feel that I should at least correct the record inadvertently maligned by the Minister of Health. There is not always a cabinet minister in the gallery from one of the western NDP jurisdictions which makes it easy to check matters out.

The fact is, that in the budget this year in the Province of Manitoba as municipally-owned ambulance service for the entire province, cost-shared with the provincial government, was announced. I presume it is far superior to that which is provided here.

Interjections by hon. members.

Mr. Lewis: Now take it easy you people; take it easy.

Mr. Speaker: Orders of the day.

Clerk of the House: The first order, resuming the adjourned debate on the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government.

BUDGET DEBATE

Mr. Speaker: The hon. member for Essex-Kent.

Mr. R. F. Ruston (Essex-Kent): Thank you, Mr. Speaker. I rise to join in the budget debate and of course discuss the budget presented by the Treasurer (Mr. White). I will expect to take a little time to cover a few other matters of concern to me and I think of concern to many people in the Province of Ontario.

I suppose we are, at this stage in the game on May 13, only about 57 days away from a federal election, and sometimes on an opportunity like this one feels compelled to say a word or two with regard to that. I don't think I need to play any political role on anyone's part, even though I have as a resident in my own area the federal Minister of Agriculture. I am quite sure the minister is quite capable of taking care of himself in this re-election campaign.

Mr. Speaker, in the case of the leader of the Conservative Party of Canada, Mr. Stanfield, I question whether he is doing the right thing in asking for the support of the Davis government of Ontario. I think Mr. Stanfield is a man of honour. He may not have much get up and go and he is far from being a dynamic leader but his integrity is not to be questioned by anyone. I think he is making a mistake in asking for the support of the

Davis administration. I think the mistake is that he should be aligning himself with people in the cabinet of this province, for instance the member for York Mills (Mr. Bales) who is going to give his profit on land speculation to charity—I say why not give it to the government; and the member for Chatham-Kent (Mr. McKeough) and his conflict of interest in approving a subdivision while the minister responsible for such matters; the member for Bellwoods (Mr. Yaremko) and his land deals; the member for Carleton East (Mr. Lawrence) and his famous trip to Cuba to pull sugar cane; and the member for Fort William (Mr. Jessiman) and his efforts to make a fast buck on land speculation at the expense of the people of Ontario, although he may have been frustrated by the publicity given to it by the press.

I question, Mr. Speaker, that Mr. Stanfield needs this kind of support. I think he's going to have a hard enough time even to maintain a reasonable opposition, let alone having this type of support. I think it's going to hurt him. I think the people of Ontario are fed up with the Davis administration and the sticky fingers that some of his cabinet colleagues have had.

Mr. J. R. Smith (Hamilton Mountain): The member must be worried.

Mr. Ruston: I am not at all worried. When one looks at the budget that was brought down in Ottawa only last week—I will get to our budget in a minute, Mr. Speaker, but I thought maybe I would say a word or two on this matter before too many of the members left the House to go into the committee of supply and also the committee of health—there were two or three articles in that budget that I thought were pretty good. In fact, I had an accountant speak to me on the weekend and he was informing me he thought that was about the best budget he had seen any government bring down in 25 years.

One of the key things in it that I was particularly interested in was the $1,000 of tax free income interest. Anyone earning interest on investments would be allowed the first $1,000 of interest tax free. To me, from the way he explained it I think he had a good point, that this was to encourage savings. In an inflationary period we have so many people buying there are not enough goods to supply the demand, so naturally the prices keep rising. The old law of supply and demand is still with us in a great many cases. I think this would have been great encouragement and I think this would have helped the people in what I call the medium to low income group.

Many people with incomes of $7,000 to $15,000 try to save a few dollars for their children's education and for their old age. When they set a little aside, every year they get a notice from the bank or the trust company or wherever they might have it, a T-4 slip saying we paid you $200 or $300 in interest and you must include that in your income tax. Then they have to pay whatever the rate is, 20 or 30 or 40 per cent income tax on that amount. I think this is one of the key things in that budget that a lot of people didn't really see that would have helped a great many people in Ontario.

Another thing was the tax taken off clothing and footwear. The tax was also removed for sewage and water supply services, from municipal buses and transit services and bicycles. I remember speaking on a private bill one day when the now Minister of Health (Mr. Miller) was speaking. I think he or one of his colleagues was suggesting that the retail sales tax should be removed from bicycles. I spoke at the time saying that I would be inclined to take it off shoes instead of bicycles. I guess the good Minister of Revenue for Ontario (Mr. Meen) in his budget did remove it from all shoes worth less than $30; so we certainly give him credit for that.

However, the federal budget, and all these things that I call good sound budgeting, have all been withdrawn because of the loss of confidence in their House by the members of Parliament in Ottawa. Now another thing that was of interest was the larger tax on mining, banks, trust companies, large real estate companies; in each case there was an increase in their taxation. Another part I thought was very good was lowering the corporation tax on small businesses from 48 per cent to 25 per cent on the first $100,000. I think this was a great step forward too.

So I question whether members of both of the opposition parties in Canada who voted against this budget really thought it was that bad. I think they had made up their minds they wanted an election; and of course now that decision has been made it will be up to the people of Canada to decide the right or the wrong of it. However, that's part of our democratic system and we'll all accept whatever they decide.

Another thing concerns me with regard to the political part of it, Mr. Speaker, and I feel while I'm on this part I would just like to say a word or two on it. I read in the Ottawa Citizen on May 14, 1973, which is a year ago, a story headed: "LCBO Job Forms Handed Out by Tory Riding Association".

An hon. member: Same old stuff.

Mr. Ruston: Now the Liquor Control Board of Ontario, in my personal opinion, has been the complete right arm of the Conservative Party of Ontario for the last 25 years. I'm not sure, maybe it's changing a little in the last few months, it may be; but up until very lately I think this has been a political arm all the way through. I have had people ask me if there are any jobs available in the Liquor Control Board stores; and I just say: Don't come and see me, go and see the president of the riding association or the local Tory bagman, because I wouldn't want to jeopardize your chance of getting a job. I think I did this in sincerity, I think it was the right thing to do. Because after all when the handwriting is on the wall, there's no use fighting city hall when you know you can't win.

When the Premier (Mr. Davis) was speaking a few days ago—I'm not sure where, it was some group in the Toronto area I believe—he said they were going to take steps to limit the number of liquor outlets in the future. I wonder if it means anything. On liquor licence activities for the week ending May 4, 1974, there were 28 applications approved for new licences. If that is restricting them, I don't know what it would be if it was wide open; that's quite a large number for one week. I think the week of April 27 there were 15 new applications approved; and the week of May 11 there were eight new applications approved. That's about 50 new applications that were approved in about three weeks, all new outlets; and the Premier was only saying a few days ago that he was taking steps to restrict the number of new outlets.

Now Mr. Speaker, I want to say just a word or two with regard to Ontario Hydro. The Premier was down in our area, or rather the riding of the hon. member for Essex South (Mr. Paterson), only a week ago. He had two or three full page ads in the weekly paper inviting people to come and meet the Premier. The Premier said at the chamber of commerce luncheon that it was up to the government to control inflation. He said you can't just shrug your shoulders and say it's a world problem. I imagine he was laying the groundwork for the federal programme, the programme of the Conservative Party in the election campaign; but the same day Ontario Hydro announced that it was requesting an increase of 15 per cent in hydro rates.

The Premier may say that we should start controlling inflation, but at the same time an arm of his government has asked for an increase of 15 per cent in one year, which if it continues at that rate for the next five years, means our hydro rates will be 100 per cent higher than they are today.

Another thing I wanted to mention about Hydro—and this was covered very well by the member for Huron-Bruce (Mr. Gaunt)—is the taking over of rights of way by Hydro. A strange thing happened the day the member for Huron-Bruce was talking. My brother, who is a farmer, was down to Toronto that day for a day or two's visit. He was sitting in the Speaker's gallery, and when the member for Huron-Bruce was speaking, I went up to sit beside him for a while.

He leaned over to me and said: "Dick, that sounds just like the way they tried to get my property last summer. They come in one time and tell you they need the property, and they won't give you an offer but they say they intend to build in perhaps a year or two. And a different man comes back about two weeks later and says they have to have this property, they would like to buy it this time, and they may give you kind of a low offer."

In my brother's case he already had lines through there; I think they were put through about 20 years ago, and at that time he got $25 a tower. He has had to work around towers with tractors and so on, and all he got was $25 a tower. He wasn't very happy.

However, they wished to purchase this property, which went right through the centre of the farm. He did agree to sell it, eventually, although I advised him that if Hydro wanted to buy property right through my farm, that I didn't think I would sell it; I think an easement would have been satisfactory. I don't see any necessity for Hydro owning the land when they have towers going through.

For 40 years we have had about four high-tension lines going through our area, feeding power to Windsor and the surrounding area, and most of them are on easements. The farmers have had no trouble. If the Hydro had to come in, it was generally in the winter. They do all of the checking of their lines by helicopter, so there is very little need to go in unless there is an emergency. I understand they pay for any damages to crops if they have to go in on an easement.

When they are buying the property and taking complete title to a strip of land—150 ft., 200 ft. or, in some cases, 600 ft.—right through the centre of a farm, all they want to give the farmer is a 30-ft. easement across it. They wont even give him a lease in perpetuity for the use of the land, which I think would have been some compensation to those involved,

so I am concerned with the way they have been dealing with these properties.

There was a hearing of necessity in Windsor, on May 8, just last week, and there was a newspaper article headed, "Hydro's Land Expropriation Case Rapped." And to quote from the report:

> During the all-day hearing at Essex county court house in Windsor Wednesday, Richard Walker, who is heading the hearing, explained that he was "not satisfied with the way this case had been handled by Hydro."
>
> There is a difficulty, he said, when the expropriating authority comes to a hearing thinking that it's totally informal.
>
> Hydro, Mr. Walker added, must be able to prove the need for the lands in question.
>
> Frankly, he said, he had found expropriating authorities at whatever level have tended to come to hearings thinking that they don't have to outline their specific needs.
>
> "That might have been the case 10 years ago, but that is not the law today."

Mr. Walker happens to be a very prominent solicitor and QC in the city of Windsor—a capable lawyer, I am sure. I won't mention his political affiliation, because that is beside the point; but he is doing a good job, I am sure, as hearing officer.

Hon. J. W. Snow (Minister of Government Services): I have heard he is a Tory.

Mr. Ruston: Yes, he is. I said he was a good solicitor.

Mr. Speaker, before I get into some other remarks I should make a point or two in regard to the budget. The key thing that concerns me in the Treasurer's budget, is the continual deficit we are running each year. I can recall speaking to a very prominent lumber dealer in our area who was a member of the Ontario Water Resources Commission for a number of years. There again, I guess he was a Conservative candidate, but he was a very capable businessman. He and I were quite close and we were working on water lines in our area. He said: "Dick, when you are running the Treasury of the province, it should be government's job to refrain from overspending in relatively good times; but when we have recessions or mild depressions, then it should be up to government to do large spending projects to encourage employment." But we don't seem to do that any more.

Interjection by an hon. member.

Mr. R. F. Nixon (Leader of the Opposition): Sounds sensible. I bet he doesn't talk about our Treasurer.

Mr. Ruston: Our governments seem to keep on spending at a high rate whether we're in good times or not. I would think that Ontario, with about a four per cent unemployment picture, is almost running at full employment for our needs today. I don't think any country could do much better. We have large industrial areas, of course—

Mr. R. F. Nixon: The federal government has done a great job on employment.

Mr. Ruston: The federal government with its auto pact has helped a great deal no doubt, and I'm speaking of our own area where we have all the auto factories running at pretty well full capacity. I think that part is fine, but I don't think we should continue to have such a large deficit, because right now we are spending about 16 cents of every dollar we collect in the province to pay off our cost of financing. It's fine, I think, for the individual to mortgage his home and buy on time, but I think governments should lead the way at certain times, especially at inflationary times and reasonably good times, to control their spending so we do not continue to increase our deficit, and the cost of carrying it continues to increase as well.

Mr. R. F. Nixon: Tory times are hard times.

Hon. A. Grossman (Provincial Secretary for Resources Development): Like the federal government.

Mr. Ruston: Mr. Speaker, being from a rural area I suppose a person maybe shouldn't get involved in what we classify as our city problems, but since we do spend a lot of our time in the city, and reside I think in the riding of St. David while the Legislature is in session, I look out over the area and from the height that we are at on the 21st floor we can see—

Mr. R. F. Nixon: The penthouse.

Mr. Ruston: —we can see what I think is a deteriorating part of our city. I am concerned that when Mayor Crombie was into the private bills committee last week he was so concerned and he wanted a bill put through so that the city of Toronto could refrain from issuing demolition permits, so that developers couldn't come in and buy

homes; let them run down until they are no longer livable, then get a permit to demolish them; and in turn hold off building on them until they can get the city to change the zoning, put the pressure on them to change the zoning, so that they can put up a highrise.

I was just counting some of the highrises in one block over there and there's about five or six. It seems to me when they put this many on one block they should at least have a park on the next block if they are going to demolish some of the buildings.

There are some old buildings there that are certainly not worth fixing, we know that. A lot of them are worth fixing, but there are some that could be demolished. I would think if I was demolishing them and I had anything to do with planning in Toronto, I would be putting small parks in there, even just little waterfalls and a few trees and a little grass and so forth. We have a number of them in the city of Windsor and it's just beautiful at this time of year with the tulips and everything; but you can't see a tulip any place in downtown Toronto that I've ever seen. In Windsor you can; and New York has hundreds of them. I have never been there but my family has and they tell me there are hundreds of small parks in New York City—and they've got city problems. I think that's something the city should be looking at in their development scheme.

I'm also concerned about crime and what's going to happen in the cities in the future if we don't take steps to control the size and the building up. I mentioned, Mr. Speaker, in my first speech in the Legislature in 1968, that I thought it was up to government to encourage industry to go into other parts of Ontario, to cities and towns that have populations of 40,000 or 50,000, and put in services there so these towns could be expanded to 100,000 to 150,000. People then have an interest in their town or city. I'm sure that in a city the size of Toronto many people have no interest whatsoever because it's getting so large. With such a large population I'm sure that it's very difficult for people to have much of a rapport with the members of city council or Metro council. It's probably harder than with the members of the Ontario Legislature, who I'm sure seem far enough from some people at that. I think that cities are even worse.

We live not far from the city of Detroit where we're oriented to the American TV and the problems of the city of Detroit, where crime is rampant in the streets. It's almost pitiful to see a city that 20 years ago was a vibrant city now deteriorated in many places. If you go out on some of the streets, Michigan Ave. for instance, to the Olympia Stadium, you can go blocks and see where it has been pushed over with bulldozers. There's nothing left there now.

Some of the streets have houses which have just been left to deteriorate by themselves. There is no planning. Cities don't have the financial wherewithal. In fact, under their constitution the cities in the United States are worse off than the cities in Canada because they weren't given the constitutional rights of taxation as we have it here.

It's the same with school boards. In the United States, for instance, school boards only have a basic rate to go on. They must get approval from the electorate to spend more than a certain base rate. They have real problems, whereas in Ontario the government has always given the power to set the rates to school boards and so forth, and they set the tax accordingly. There is a kind of chance then for the elected people. They do have a better chance here than in the United States.

I'm concerned that the size of cities is probably part of the problem and that the same thing could happen here. I often think that what happens in the United States could happen in Canada within 10 years. I shudder if that's right.

Part of this might be due to the fact that we're not taking steps to control crime. I don't necessarily mean crime in the streets. I'm thinking of crime on a large scale. We've had articles in the paper lately about that. There was another one in Saturday's paper. I have an article I want to read that I read in the Detroit News. It is from the Sunday News of March 31, 1974.

The Detroit News is a very widely distributed paper. It is a conservative paper. As such, it leans to support Mr. Nixon, although about two months ago it did come out saying that he probably should resign as President of the United States. I'm just giving you the background of the newspaper. It has been the backbone of Detroit newspapers, radio and TV stations for a number of years. In fact, the Detroit News owned WWJ which was the first radio station to come on the air in 1920 or 1921. I can recall, when I was four years old, we had a battery radio and WWJ, Detroit, was the only station we could get. It has been around a long time and it is well respected in the city of Detroit.

I'm going to read an article that was in the Detroit News on March 31, 1974. It is

written by Mr. Michael F. Wendland. The headline is:

TORONTO INVESTOR IS PROBED FOR MOB LINK; LOAN FINANCED TWO JOSHUA DOORE SHOWROOMS

"On the ninth floor of a new office building on Queen St. in downtown Toronto, a 37-year-old lawyer oversees a multimillion dollar financial empire that extends throughout North America.

"The empire is under investigation by US and Canadian law enforcement agencies, including the FBI, the US Justice Department's organized crime strike force and the Ontario Provincial Police. They are trying to determine whether some of the investments of the lawyer-turned international financier are backed by organized crime.

"The lawyer, Joseph Burnett, has extended loans to several companies in Michigan. Among the recipients is a holding company that owns two of the warehouse showrooms of Joshua Doore Inc., a Detroit-based furniture company.

"The Joshua Doore board chairman, Harvey L. Leach, was murdered two weeks ago in what police describe as a gangland-style killing.

"Authorities stress there is no evidence that funds provided by various Burnett-operated branches to any of the Michigan companies have been used illegally—or even to suggest that the companies know the sources of the money.

"Burnett acknowledged associations, however, with a man who has been described by the authorities as a major organized crime moneyman. He is John Pullman, a Canadian citizen now living in Switzerland. In 1969, former US attorney Robert Morgenthau described Pullman as, 'a courier for the mob' and as the 'banking technician for Meyer Lansky.'

"Lansky is now living in Florida and is alleged by federal authorities to have directed the financial dealings of the country's leading organized crime figures.

"Last month the US Securities and Exchange Commission charged Pullman and several others with stock fraud in connection with a business venture that allegedly swindled the Catholic Archdiocese of Detroit, the Bishop of Lansing and several Michigan priests out of $340,000.

"In a telephone interview with the Detroit News Burnett said he was a close personal friend of Pullman and had administered millions of dollars of investment for him. But Burnett contended he had done nothing illegal, 'or the authorities surely would have charged me with something.' He also said he had stopped handling Pullman's investments.

"Indeed, said Burnett, he has been investigated by the FBI in connection with a $200,000 loan to a Detroit company for construction of a large privately-owned recreational development. The money, authorities said, had the characterisitcs of a wash, a transaction designed to hide the source of funds.

" 'The FBI checked me out and gave me a clean bill of health,' Burnett said. 'Just ask them if you don't believe it.'

"A spokesman for the justice department in Detroit, however, said the transaction is still being investigated by several agencies and he would not elaborate.

"Burnett is reputed to have a personal fortune of about $5 million. He is a major shareholder in three food companies in southern Ontario and has interests in other Canadian companies. Burnett has had many ties in Michigan, especially the Detroit area. Over the last three years he has placed at least $20 million in loans in the state for construction of office buildings, apartment complexes, shopping centres and other facilities. Besides a small Detroit office, he operates across the continent with outlets in Chicago, Los Angeles, New York City, and Puerto Rico.

"Ontario police agencies say a man who has represented Burnett in Puerto Rico is an associate of four men now serving prison terms in the United States for gambling and narcotics smuggling. Two of the four are identified as members of the New York operation of the reputed Mafia chieftain, Vitto Genovese. 'All I know is the man (in Puerto Rico) has placed business with me,' Burnett said. 'Whether he is a bad guy or a good guy, I don't know. How do you know who someone is? I deal with a lot of people. I don't ask them who their friends are.'

"Burnett said he carefully checked out the Joshua Doore company before deciding to lend nearly $3 million for the construction of two of its warehouse showrooms. He said he was contacted in mid-1972 by Fred Gordon, a lawyer who has substantial holdings and investments throughout the Detroit area. Gordon, who said he had dealt with Burnett before, is head of a holding company called MBA Inc. Gordon planned to build the warehouses and then lease them to Joshua Doore.

" 'By coincidence, our Detroit attorneys, Honigman, Miller, Schwartz and Cohn, were also the attorneys for Joshua Doore,' said Burnett. 'We had them carefully check out all aspects of MBA and Doore and after they indicated good reports, we went along.'

"The showrooms Burnett financed are in Taylor and Warren, he said. The $2.4 million to MBA for the Taylor building was paid off last May, he said. On March 14, however, Gordon asked for and received a second mortgage on the Warren store, Burnett said. The second mortgage, for $400,000, was filed March 15 in Wayne county.

"Burnett said he never met Leach, the Joshua Doore chairman. Leach, 34, was murdered March 16, the day before he was to marry a Southfield divorcee.

" 'All our dealings have been through Fred Gordon,' said Burnett. 'Our loans were to him not to Joshua Doore.'

"In an interview Gordon described MBA as a shell company, basically a tax shelter for a bunch of doctors and dentists in the Detroit area. Gordon, a fraternity brother of Leach's when they attended the University of Michigan, said Leach had no business interest in MBA. Leach and Joshua Doore's president, Spencer Reuben were once partners with Gordon and MTP Inc., a Troy-based lighting firm. 'They (Leach and Reuben) got into it with me as a sideline five or six years ago, before they were in an ownership position with the furniture business,' Gordon said.

"Back in 1971, when they took control of the company, Joshua Doore then called Robinson Furniture, they terminated all connections with MTP.

"Gordon said he has been involved in two other deals with Burnett. One involved a $200,000 loan to the construction company building the Detroit area recreational complex. According to FBI reports—confirmed by Gordon and Burnett in separate interviews with the News—the transaction took place as follows:

"The construction company had arranged with a Bloomfield Hills man to borrow $200,000. But because the man did not want it known that he had such amounts of cash, the company's officers went to Gordon. Gordon, in turn, contacted Burnett, who agreed to the plan.

"In August, 1972, an officer of the construction company picked up $150,000 in cash and a $50,000 cashier's cheque from the Bloomfield Hills man. He then drove from Detroit to the Toronto International Airport, where he met Gordon, who had taken a flight there. The two then went to Burnett's downtown Toronto office, handed over the $200,000 and received in return a cheque for the same amount written on one of Burnett's lending companies. The transaction went on the books as a loan to the Detroit construction firm.

"Burnett, who told the US authorities of the deal said that this transaction was not illegal and it was also investigated by Canadian tax officials. Burnett's files on the deal contain a letter from Gordon dated almost a year after the transaction occurred, which Burnett said he furnished to US investigators."

Mr. Speaker: I wonder if the hon. member would permit the hon. member for Thunder Bay to recognize his guests in the gallery.

Mr. Ruston: Certainly.

Mr. J. E. Stokes (Thunder Bay): Thank you. I want to apologize to the hon. member for Essex-Kent for butting in, but I have two groups in the east gallery, Mr. Speaker. There are groups of grades 7 and 8 students from Caramat Public School, who are down here under the guidance of their teacher, Mr. Brian Morris along with Mrs. Theresa Steudle and Mr. Abraham. Right alongside them are about 19 students from Nipigon-Red Rock District High School from grades 11 and 12 under their teacher Mr. John Krantz.

They have come a considerable distance, Mr. Speaker, and I hope you will join with me in welcoming them to Queen's Park and hope they have an enjoyable time.

Mr. Ruston: Thank you, Mr. Speaker. I am glad to allow the interruption from the hon. member for Thunder Bay and to welcome the students as well. I will go ahead.

"The letter reads in part: 'The principals of the construction firm informed me that the person from whom they had received the cash did not wish to have any notice concerning the cash and that therefore I suggested that a loan be arranged to so as to avoid notice which would result in the deposit of a large amount of cash.'

"Gordon confirmed the account. He said he had dealt with Burnett several times and always found him 'upright and fair'.

"Gordon said he had never heard of a John Pullman before and therefore could not know that Burnett was an associate of Pullman's.

"There are other Burnett loans in the Detroit area that have attracted official attention. One was for construction of a $4,950,000 apartment complex in western Wayne county.

It provided for a payment of a so-called 'finder's fee'. It is a normal part of financing that compensates a person who finds the source of money for a loan.

"The finder's fee in this case was $171,000. It was paid to John Pullman in care of the law firm of Honigman, Miller, Schwartz and Cohn.

" 'The finder's fee was rightfully coming to me,' said Burnett. 'What happened was that Mr. Pullman had a series of investments placed through our firm and had payments coming that totalled somewhere around $200,000. We were interested in clearing our books, so rather than string out his payments over a long period of time, I just assigned my finder's fee to Mr. Pullman.'

"Jack Miller, a senior partner in the Detroit law firm, said he could not discuss the firm's dealing with Burnett.

" 'Whatever Mr. Burnett tells you, you are at liberty to believe,' said Miller. 'But I couldn't begin to discuss any business relationships involving our clients.'

"Miller said that it was coincidence that the firm represented Joshua Doore and Burnett and—on at least one occasion—Pullman.

" 'We are a firm of some 40 lawyers,' he said. 'While it may seem coincidental that we represented those three, it is not unusual. We represent a great many persons.'

"Pullman is well known to law enforcement officers. He came to Canada in 1948 from the United States and became a Canadian citizen in 1954, living most of his time in Toronto. He moved to Switzerland in the mid 1960s. His notoriety, however, stems from his alleged connection with organized crime.

"For more than 30 years, according to Morgenthau, the former US attorney, Pullman worked for Lansky as a courier and banking technician, buying into legitimate businesses and real estate with organized crime funds.

"After moving to Switzerland, Pullman allegedly took control of the secret bank accounts of the top American mobsters, legitimizing their earnings by funnelling them back into North America as loans to various businesses.

"Pullman, who dodged a subpoena issued by Morgenthau and cannot set foot in America without being served, admitted to Canadian reporters several years ago that he knew top organized crime figures.

" 'Yes, I know Meyer Lansky,' said Pullman at that time. 'He's a wonderful man. He and his wife and me and my wife toured Europe together and had a wonderful time.'

"On another occasion, Pullman brought up the names of a host of US mobsters, several of whom were under indictment. He told reporters he knew them all well.

"Burnett said that though he no longer handles Pullman's investments, he does do 'an occasional personal favour' for him. Burnett said he sees Pullman on Pullman's regular visits to Canada, and that once Pullman brought a watch from Europe as a gift for Burnett's wife.

"Burnett said he did not believe the allegations made against Pullman. 'I am sure that if John Pullman was all that had been said of him, he'd be in big trouble,' said Burnett. 'But he's never been charged with any offence in Canada and there's nothing here he's ever been subject to.'

"Of his own troubles with law enforcement officers, Burnett said they were 'misunderstandings'.

"He strongly denied any connection with organized crime and said he would welcome a full-scale investigation into his dealings.

" 'My books are open to anyone who wants to examine them,' said Burnett. 'I've done nothing wrong'."

Now, Mr. Speaker, as I mentioned earlier, that's a write-up that appeared in the Sunday News.

My concern and the concern of many people in Ontario is the enforcement of laws and the introduction of new laws governing things similar to this. When the average person, who goes to work every day and pays his income tax, reads in the paper about somebody handling millions of dollars and no one seems to know to whom he reports, I think he wonders if the income taxes, corporation taxes and so forth are actually ever being paid and if our government is receiving any taxes whatsoever.

It would appear to me that what we probably need is a new crime-fighting division in the RCMP and probably in the Ontario Provincial Police. I think they would have to be highly trained people, probably sharp accountants or former corporation lawyers. They might even hire someone who's been in jail for 10 years; maybe that would help. He would know a lot of angles.

I see the hon. member for Scarborough Centre (Mr. Drea) smiled about that. It's interesting, though, because sometimes it takes a crook to find a crook.

It's just a point, but I think it's a concern of most people and perhaps it is part of the reason why we're losing some respect for law. When people see other people

getting away with breaking the law—maybe they're not killing anybody or anything like that, but if they're not paying their due share of taxes, for instance, then I think that people get to the point where they say: "Well, what's the use of working our hearts out and trying to make a living when that guy can pick up a million dollars and pay no tax on it?" And that is the thing I'm concerned about.

I think we need sharper investigators to do this type of work on the border. On a number of occasions we have seen people come over who we were aware were racketeers to some extent, but we never took any steps to stop them although in many cases they were being watched. I can recall a number of occasions when our own police and the RCMP have been working on cases where we were aware of people and what they were doing to some extent; of course, it took a lot of investigation, so we had to just treat them the same as anybody else when they were coming across the border, hoping the police would get something on them while they were over here.

Now, I would like to say a word or two with regard to agriculture in Ontario, Mr. Speaker. Farming and agriculture have been going through quite a change in the last year or so. People talk about shortages of foodstuffs, where only two years ago we were talking about surpluses and wondering what to do with them.

I know that the Minister of Agriculture for Canada, Mr. Whelan, has been a strong spokesman on this type of thing for the last 17 or 18 months he has been Minister of Agriculture. He is taking the brunt right now, I know, from people in the cities who feel that food prices are too high. But it's pretty difficult to compare food prices when, in the spring of 1972, farmers were producing eggs for 21 cents a dozen and they were being sold in the stores for maybe 33 to 35 cents; and the costs of producing the eggs at the farm at that time was about 33 cents a dozen, so he was losing 11 or 12 cents a dozen. So it is very difficult to assess whether something is too high.

I recall the member for Wentworth (Mr. Deans) and the member for Scarborough West (Mr. Lewis), the leader of the NDP, talking about farm prices and talking about foodstuff and the increased percentage increase in prices. Well you know, if something is below what it is costing to produce, naturally it has to go up 100 per cent before you get everybody covered in between, so if you are losing 11 cents a dozen in producing a dozen eggs and it goes up 100 per cent, really you are still not ahead of the game because you have to have a profit besides your cost of operation. So percentages are really not a very fair way to look at it, I don't think.

I suppose it's like statistics. Anybody can use statistics, it all depends on how you want to use them. One fellow can use them altogether differently. Two statisticians or economists will come up with a different answer on the same statistics, so that's why it is not too fair to use them when you consider the prices of farm products in the last few years.

In January of 1972 corn was $1.14 per bushel and today it's about $2.75 per bushel. Sure, that's a 140 per cent increase; but $1.14 a bushel wasn't really covering the full cost of production and leaving anything. Then somebody will say; "Well, how do you keep producing when you are not making a profit, or losing money?"

A lot of people farmed up until the last 20 years. Their forefathers took the farm and developed it, cleared it and went on farming it, and their sons went on farming it. They didn't have a big outlay. They went ahead and just kept on. Their cost of operation was very minimum so that they could produce things pretty cheaply.

But in the last 25 years, when we started changing considerably and mechanization and the cost of machinery and everything got to be a major cost of operations, naturally that's when they started losing. However you can survive, and of course we know it, you can survive a year or two on a farm without any profit because you can live if you have a low depreciation. Naturally that helps you a little and you manage to survive or pick up a little part-time work in the wintertime.

That's what happened to a lot of farmers. That's what chased a lot of them off the farms, in fact. They found some part-time work in the wintertime and found the wages so good they never bothered coming back to the farm. It was just no use when you could make good wages out in industry.

Another article I was going to mention, Mr. Speaker, came out of the New York Times Service: "Foodstuff Shortages Spring from Years of Neglecting Agriculture." This was in the fall of 1973, and the article says:

> The shortages of basic foodstuffs now plaguing the more industrialized nations of the world are triggering the most profound changes in their agricultural economy since the end of the Second World War. Having built their industrial might on secure and ample supplies of relatively cheap food, the

United States, Canada, Europe, Japan and the Soviet Union, for example, now face soaring prices for what was formerly their cheapest raw material. On the other hand, the shortages of foodstuffs and other basic commodities are proving an economic boon to the less developed lands because they now have the financial resources to speed up their industrialization and compete with the older (and now high-cost) producers in world markets.

These changes were gleaned from a survey of the international agricultural situation made recently by the New York Times. Basically, the survey discloses that the overnight shortages of foodstuffs are the result of years of neglect of agriculture in most lands. Japan and Brazil are noteworthy examples. The post-war economic miracle in Japan largely came about because of the country's ability to secure ample basic foodstuffs, such as soybeans, from the huge US army stockpiles of former years. And Washington was glad to get the business.

These cheap foodstuffs, in turn, enabled the Japanese to hold wages in line and industrialize rapidly as well as compete in the world markets. Japan has limited land for agriculture. Today Japan is in shock because 90 per cent of its soybean supply, for example, which came from the United States, is in jeopardy. [You might recall last fall the United States did cut off exports of soybeans for a while.] Japanese trade missions are busily scouring Latin America, Australia and other possible supplies for soybeans, beef, pork and other foodstuffs. With world surpluses gone, Japanese industrialists face even greater pressures from labour for higher wages to cover soaring food costs.

That gives us an idea of part of our problems with the agricultural economy.

I look over the price of beef, for instance; last summer when we had a scarcity and so forth, it went up to about 58 or 59 cents a pound liveweight and that was when the United States had price controls. Of course, the farmers didn't want to sell because they were restricted as to the price; the price wasn't frozen at the farm gate but it was frozen in the store. The farmers were reluctant to sell because they figured they could get a higher price when the price ceiling went off.

The price ceiling was to be removed, I believe, in the fall and when it was thousands of head of cattle were ready for market. Many of them were overweight and they flocked them into Canada to get rid of them—any place at all to sell them because they had so many—and that forced our price down. When it forced our price down to about 44 cents a pound, the beef farmers found that since corn had gone up to $3 a bushel they were in trouble.

Two or three years ago when corn was $1.25 a bushel, they could produce beef at $45 a hundred and come out fine. When corn went up to $3 a bushel we found we had to have a much higher price for the beef.

Now we have the same situation in the hog market and Quebec has announced a hog subsidy in the province right now. I was talking to a friend of mine the other day; he sold 120 hogs in December at around $55 or $54 a hundred; he has another 120 to go and the price is about $41. He made a profit on the ones in December but it looks as though he is going to lose more on the ones he has now than he made on the bunch he had in December. Until we get stabilization of prices in some form in Canada for our farm products, I am afraid we are not going to have an assured supply.

I know the Minister of Agriculture for Canada is working on this but he has to get the approval of his government and all governments, of course. Now that we are going to have an election I suppose that will have to wait.

The Minister of Agriculture and Food for Ontario (Mr. Stewart) says he is not interested in any assistance to farmers on this basis because he thinks it should be done on a Canada-wide basis. I don't know; I don't agree with the Minister of Agriculture and Food on that basis. I think he should have a plan which he could instigate on emergency basis; like two years ago when the egg market was so low, I think he should have had some money available to help these people out at that time.

It's the same right now. It should be on a temporary basis because no doubt, maybe in six months, the market will right itself and they will be back in a position where they can make a little profit. But I don't think the Minister of Agriculture and Food should just throw up his hands and say it is a federal responsibility. He does that a lot and I think he has done it more in the last year than before because he has someone now to put the blame on—the Minister of Agriculture for Canada. The federal minister is a farmer and of course understands the situation but he has to get his point across to his colleagues and

he has had some problems with the opposition, too, in Ottawa.

It is an interesting point that there are very few farm people who are actually ministers of agriculture. I think the Minister of Agriculture for Canada said at one of his meetings in Italy, where all the agricultural people of the world were gathered, that he was the only active farmer who was a minister of agriculture. It's an oddity, I suppose, but it is kind of a nice thing to see someone who understands the situation.

We also want to mention that we have some subsidies. The federal government is now paying a subsidy for milk production of about five cents a quart. The interesting thing is that the Minister of Agriculture and Food for Ontario seems to agree it is a great thing. In fact, he sent a news release out just a few days ago saying that the new industrial milk price should have been higher, and at the same time his parliamentary assistant, the member for Middlesex South (Mr. Eaton), was speaking to a group of wheat producers, and he said producers should avoid subsidies. So I don't know whether that is a new policy of the government or whether it is just the member for Middlesex South talking without the approval of the Minister of Agriculture and Food.

I am inclined to think that subsidies are not the answer because they are at the whim of the government of the day, unless you have a policy set down. I have always been of the opinion that farm prices really should be relevant to the prices of everything else on the market. If other prices are up and farm costs are up and the cost of production is up, then that should govern the market price. Those people who cannot afford to pay the market price should be assisted by larger pensions or something and not just a handout as a subsidy to the farmer producing it.

It is really not a subsidy to the farmer. They call it a subsidy to the farmer but it is not, it amounts to a subsidy to the person buying the end product, because the farmer has his costs laid down. It is not a subsidy to him, it subsidizes the low-income person by keeping the price of goods down.

But in actuality you are not just helping the low-income person by this subsidy, you are also helping the person in a high income bracket. Of course, you take taxes away from the high income to give a subsidy to the farmer and it is a real circle, I grant you that, but I am not sure that it is the answer. I would be more inclined to think that the price in the marketplace should bear whatever the cost of production is and and that it should be up to government and our citizens to see that the people are able to pay for their necessities.

Mr. Speaker, there are so many things that a person could talk on. I had an article here that I thought was good and I think I picked it up in Toronto. I don't know who distributed it, but I found this little item and it reminds me of something the reeve of Gossfield North, Mr. Joe Newman, would talk about. He was county councillor for 20 years and warden, and always had a good joke or two; he was always a great fellow. I was thinking of this when I read it and it says:

HIGH COST OF LIVING

A farmer buying a new automobile was astonished at the extras listed on the bill of sale. Some time later when the car dealer inquired about buying a milk cow the farmer quoted the following price list:

Basic cow, $100; two-tone finish, $45; four-barrel stomach, $75; genuine cowhide upholstery, $125; product storage and dispensing device, $60; four spigots at $10, $40; dual horns, $15; automatic flyswatter, $35—

Mr. H. Edighoffer (Perth): They are getting smarter.

Mr. Ruston: "—field fertilizing device, $35; total, $540."

Well you know how true that is. I heard the Minister of Agriculture for Canada say that the cow had the best manufacturing machinery of anything going and that man had it all listed; that is a very interesting thing. I must send that to the Minister of Agriculture for Canada, and one to the minister here.

Mr. Speaker, I should say a word or two to the Minister of the Environment (Mr. W. Newman), and the Minister of Housing (Mr. Handleman). Housing is, of course, a major thing in the cities and it is a major thing in all parts of Ontario as far as I am concerned. What concerns me—and I have mentioned it I am sure on a number of other occasions but sometimes you have to keep repeating yourself to get the government to listen—but I am concerned about the length of time it takes from the time the government decides to assist a municipality in building sewage disposal systems, until the day they put the first shovel in the ground to get construction going. It seems to me that there has just got to be a better way than the system as it is now.

When the province takes the responsibility of paying a major share of this, I don't see why it couldn't be government policy to say:

"This is what we are to do. This is the money we are going to put into it, this is the money the municipality will put into it, and we authorize you to do that." A large share of this delay is caused by the Ontario Municipal Board and its time in getting hearings set and giving approvals.

I don't object to any decisions the Ontario Municipal Board has made. I think the board is always fair, but what concerns me is the length of time it takes to get an application over to them and get it back. When the contract is let, then if it's a little different it has to go back to the board for more review and approval.

It seems to me that this should be a matter of government policy. It should not have to go back to the board. If the municipality agrees that this is what they have to do and the Ministry of the Environment agrees that we have to put this sewage lagoon in this town for the sake of the environment, then that should be enough. We should get our tenders out. We should get our plans and tenders out and go ahead and put them in, unless somebody is fooling somebody and we don't need these, and they're stalling. Although I don't think that's the reason, it makes one wonder when they go from five to six years before they get any construction going.

This really concerns me, because it drives up the cost of housing. If you had enough housing lots on the market today, in areas where I live anyway, you could buy a good lot for $7,000 and put a house on it for about $30,000. Then you've got a good home for $37,000 or even less. But they're so scarce that they want $12,000 to $15,000 per lot.

I saw the other day in the paper where a house burned down and the guy decided to sell the lot. He was asking $16,000 for it. There are not that many around so they ask for a price and most of the time they get it because people can't find lots because we have such a scarcity of lots.

This really has a lot to do with our inflation of housing. It's the scarcity of lots. I think, Mr. Speaker, that that's a matter of great concern. The government should take a lot more interest in seeing that these subdivision plans are approved right away and we get our construction going on these housing units.

Mr. Speaker, I think I've said about enough. I just would remark that one of the towns in my area is celebrating its centennial this year. I just want to say that the town of Belle River, 1874-1974, sends greetings from Mayor John George, Reeve Clifford George, Deputy Reeve Leonard Denomey, Councillor Marcel St. Pierre and Councillor Roy Byrne. The town has a great centennial programme planned for this year and we'll welcome anybody to come down to our area. We'll see that they are well treated, and when I say well treated I mean it. If you're down in the area of Essex county, Belle River is having its centennial this year. I think on July 21 they are having a big parade.

Leamington, in the riding of Essex South is also having their centennial this year. If anybody is looking forward to visiting Essex county this year, we'll be looking forward to making them welcome when they come down for the centennial of the town of Belle River and the town of Leamington. Thank you.

Mr. Speaker: The hon. member for Scarborough Centre.

Mr. F. Drea (Scarborough Centre): Thank you, Mr. Speaker.

Mr. Speaker, may I compliment the previous speaker on the quality of his address. I think he brought forward certain points that are of interest, not just to those who are in the western part of this province but also in the urban core, which is Metropolitan Toronto.

I noticed when he was talking about the new super crime-busting unit, he seemed to be a bit perplexed as to why, when he suggested that in addition to all the corporate lawyers and the accountants, the specialists who could deal with the complexities of the modern criminal, I seemed to be a bit amused by the fact that they would get somebody who had spent 10 years in jail. I would think that's rather an admirable idea. I agree that sometimes it does take a crook to catch a crook.

What I was smiling at is that nobody does 10 years in jail anymore. It's only seven and out for murder. In fact if you do more than three, there's some suspicion that you've become an inmate who has a vested interest in part of the action inside of the place. The only smile I had was at where would he find anybody who at one time has ever done 10 years.

Mr. Ruston: Maybe I meant sentenced to 10 years.

Mr. Drea: All right, sentenced to 10 would be fine. That means he would be out in about a year. That's the way things are

going these days. That's another thing the man on the street doesn't understand.

The man on the street has very simple and straightforward logic. If you go for 10, he doesn't want to see you for 10. When he pays his parking ticket, they don't give the man in the street one-third off for attending. They don't take into consideration the fact that this may be a very bad week for him with his family. They don't take account of the fact that, indeed, to pay a speeding ticket or some other driving offence or some of the common things that the ordinary people get involved in, he may lose a couple of hours off work. And unfortunately he doesn't get paid for that either.

The courts, at that great moment in history, seem to look very sternly down from the bench; and when you go to pay, you either pay or it is the "or".

Something the people on the street don't understand is when you get 10 years why you don't do 10; and when you get 20 how you are out in seven. I think that that is something that not only pertains to the federal penitentiaries' system which has the longer term prisoners, but also with a great deal of truth to our own Ministry of Correctional Services and our own parole board.

We may have the shorter sentences, but people are inclined to think that when you are going to do two years less a day, they wouldn't mind, 21 months with a couple of months off for good behaviour, but they certainly find it very difficult to understand six or seven months, a pat on the head and agreement that you were misunderstood.

After all, the person who has been robbed or hit over the head sometimes feels that the way things are going he has been at fault for having the audacity to have money in his pocket or to be walking at a certain place when someone who is misunderstood happened to come along.

Mr. Speaker, that leads me to the area of crime: and like the previous speaker I would like to talk a little bit about crime. Not only the organized and highly sophisticated types, but also the kind that, unfortunately, because of our geography perhaps, or perhaps because of our communications network, or perhaps because of our culture seems to almost be inevitably be upon us.

But first, Mr. Speaker, to the area of organized crime and the vast amounts of money that are generated. About 99 cents on the dollar of those vast amounts are generated from clandestine or illegal operations in the United States, or generated by the type of activity that is permitted in smaller countries but is not permitted in either the United States or Canada.

One of the difficulties with organized crime, Mr. Speaker, is that when you become successful at it you get yourself into a great deal of financial difficulty. You can't hold onto the cash because if you do the income tax department wants to know why you have it and how you make your living. Besides, with inflation there is no sense hanging on to it because you are losing it at 10 or 11 or 12 per cent a year.

Since you have stolen it in the first place, I assume that you probably have much more concern about money than you do about other things, so that you have to invest it somewhere. And once again, when you go to invest in the corporate tax people, the income tax people in virtually every country in the world, would like to know how you got it, how did this vast amount arrive here.

Now then, in the past, Mr. Speaker, the concentration of that kind of money which is going through the process of being laundered or being made respectable and accountable, that type of money used to generate from New York City and from Philadelphia into the Province of Quebec.

When it was there it went into finance companies. Not the kind of finance company that operates nationally, but small finance companies that had they not access to this type of money probably, because of their own type of operation, would have found it very difficult to obtain money from the chartered banks or the recognized financial institutions. It was generated into the type of speculative building whereby there can be, without too much accountability, an enormous amount of profit—or at the same time, there can be a small loss. And indeed, the small loss is sometimes very beneficial because it shows that at least there was a legal method to justify the enormous amount of cash flow.

That went on in the Province of Quebec for some time. Fortunately, in the Province of Quebec they at that time did have a crime buster who used both sophisticated and sometimes very blunt methods. He made life very untenable for the people who used to bring money from the United States into that province for investment, but where the real purpose was "laundering." Unfortunately, that crusading Minister of Justice is no longer in that portfolio in the Province of Quebec, Mr. Speaker. He happens to be Claude Wagner, who has since become the leader of the

federal Conservative Party in the Province of Quebec.

Mr. R. D. Kennedy (Peel South): He will be back in the cabinet, too.

Mr. Drea: Yes, I rather think that by August he once again will be the Hon. Claude Wagner. The only thing that will be changed from his crusading spirit will be that, like myself, his hair is just a little bit longer than it was in the high-rolling days.

Mr. J. R. Smith: July 9.

Mr. Drea: Mr. Speaker, with the crackdown by the Ministry of Justice in the Province of Quebec, and with the somewhat uncertain economic climate in that province because of internal difficulties—which providentially seem to have eased—during that period of time this influx of foreign money began to come into this province.

Mr. Speaker, I don't think that you have to be any kind of an expert now to realize that there are enormous amounts coming in. Whether they are actually invested or they just pass through here and in passage gain the respectability that the owners want, I think is immaterial. I think too, Mr. Speaker, there is a concerted feeling by the members of the public that this is not the type of thing that should be allowed to go on.

I agree with my friend the member for Essex-Kent that once again the man in the street cannot understand these intricate transactions where hundreds of thousands of dollars somehow cross over the border, are invested here—nobody ever seems to know very much about them, nobody ever seems to be able to do anything about them.

But, Mr. Speaker, I suggest to you that it is not the primary responsibility of a provincial government to get into this field, for I suggest to you there is only one way to end it. You cannot ask the credentials of someone with money, because if you begin asking the credentials of someone who wants to buy a building for $1 million, then, Mr. Speaker, you start asking the credentials of the fellow who goes to work and wants to build a house. And I think in that case the punishment, or the control, is far greater than the problem.

However, I don't think any thinking person in Ontario wants the present situation to go on. And that is why, Mr. Speaker, I suggest to you the events of July 8 may be of massive significance in this field. For surely, Mr. Speaker, when it comes to the question of the investments by organized crime from the United States in the Province of Ontario, the absolute, the final and the successful control—in fact control is far too fine a word—the permanent ban on such funds entering into not only this province but the entire Dominion, rests with the federal Minister of Finance. Because, after all, who else, by the British North America Act, can impose currency controls and currency regulations? The only way you can stop the influx of this money—and indeed the casual visits by these people—is by very strict and absolute currency controls.

I suggest to you, Mr. Speaker, that such controls are far outside of either the property or civil rights jurisdictions which the province has enjoyed. For it is not just Ontario that is being subjected to the pressures of these investment funds, particularly from the United States. The other provinces are involved, albeit to a much lesser extent. But I suggest to you, Mr. Speaker, if you were to talk to the law authorities in the Province of British Columbia they would tell you they are concerned about some of the people who are making investments and where the money comes from. I would suggest to you that in the Province of Quebec, it has been a constant sore in the side of government after government—and those represented not only the Liberal Party but the Union Nationale; it has been a thorn in their side.

The fundamental difficulty in this regard, Mr. Speaker, is that Canada is an investment country. We go to the world and we say: "Invest in us because we not only have the resources and the products—many other countries have that—but we also have the potential and we also have the stability of government that enhance your investment."

Rightly or wrongly, Mr. Speaker, Canada has always been a high interest country. In the beginning we recognized that investment in the United States was more attractive than investment in Canada. We compensated with a higher interest rate. We are open to money from all over the world. And because we are open we are now, unfortunately, open to the type of detailed operation that was read into the record today by the member from Essex county.

I suggest to you a simple form of currency control. If you're going to bring money in here let it be scrutinized by the federal Minister of Finance. Let it be scrutinized by the Bank of Canada. Let is be scrutinized by those who have access to the major international money markets. Let it be scrutinized by those who can make sure

that it doesn't come through any part of this country.

I suggest to you, it doesn't matter if you ban it in Toronto, ban it coming across the bridge or through the tunnel at Windsor, ban it coming across at the falls, or ban it coming in through Montreal. Regardless of this it will come in from Halifax and wend its way back here.

Each step in the transaction only legitimizes the money and improves its condition, because the only reason it is coming here in the first place is to gain the respectability it needs in order to generate profits and provide a permanent yield to those who, quite frankly, rely upon the man in the street to keep them in business. It's the man in the street who goes into the bookmaking parlours. It's the man in the street who wants to gamble. It is the man in the street who looks for other forms of entertainment which are highly expensive to those who want to partake of them and even more lucrative to those who are willing to operate in that type of a demi-monde existence.

Frankly, Mr. Speaker, law and order is out of control in the United States. When you say you should ban this type of person coming in here with their money, they'll tell you they have no convictions. I've listened very attentively to that article from the Detroit paper. I noticed two or three times in it the guy said: "I've never been convicted of anything." And yet the federal attorney knows what they do, the police know what they do; but nobody over there ever seems to be able to prove anything.

I suggest to you, Mr. Speaker, rather than trying to aim at one or two people—and mind you they deserve it; I find it very interesting that the man he was talking about in Toronto also figures quite prominently in the potato business. I find it very fascinating that a man who can make this kind of a deal internationally also has a great deal to do with something which comes on to everybody's table, a staple like potatoes.

I suggest that no matter how much he deserves it as an individual, the way to put up a permanent curtain and barrier from Victoria all the way to St. John's, Nfld., is for the federal government to accept its responsibilities in this area and to impose the type of currency restriction and currency control which would make these people show where the money came from. Since there will be innocent people or reputable people who have acquired large sums of money and do want to invest in Canada, I suggest that through the Bank of Canada and the privacy of the federal Minister of Finance is the way to bring about a really meaningful control.

I think it is deplorable at the same time, Mr. Speaker, that there are Canadians who are so willing to lend themselves to this type of activity. We have a different type of society from the society in those jurisdictions where this money is generated. Indeed, when one talks about crime, I think it is the greatest crime that for the sake of making money, someone will deliberately go out to subvert Canadian society and the Canadian way of life, so that ill-gotten gains from another jurisdiction can achieve respectability, can produce a mansion, a lot of cars and quite a few other things.

Mr. Speaker, that brings me to my second point concerning crime. I want to talk frankly about firearms. I think the member for Essex-Kent and the member for Essex South, because of their geographic locations, are probably far more acquainted with the problem of firearms, because Detroit at the moment, unfortunately, happens to be the murder capital of the world. I think this is a thing of concern to people not only in southwestern Ontario but in large urban centres like Toronto, Hamilton, Ottawa; right across the province.

Mr. Speaker, in a brief period of time we have watched society to the south of us, on which we used to look up to not too many years ago, become a gun-crazy society. We have watched violence replace what used to be the rule of law and order when law and order meant something other than giving the police the unrestricted right to do what they pleased when they pleased and how they pleased to anybody they wanted.

We used to admire the society in the United States. We used to admire a society that could elect as president a man like John F. Kennedy. We began to get disillusioned when someone, for $11, $12 or $13 was able to buy an obsolete Italian army rifle, shoot him and kill him.

A great many Canadians admired the late Martin Luther King. A significant number of Canadians worked for him in many of his activities because he stood for an admirable kind of law and order, one which said "Even if the law is bad, you cannot use violence to overcome it. You use passive resistance and a number of other techniques." Mr. Speaker, they were appalled when he was shot by an escaped convict who found no difficulty in buying a rifle in a sporting goods store.

There are a great many Canadians who were very impressed with the late Robert Kennedy. They thought he would make a

fine President of the United States particularly at a time when we were watching society in the United States begin to crumble. Canadians were appalled when someone who had all the earmarks of being demented. was able to shoot and kill him.

Mr. Speaker, two years ago the most heavily-guarded man in North America was Governor Wallace of Alabama. Not only had he his personal bodyguards, he had state police bodyguards and he was guarded around the clock because everyone thought that sooner or later someone would take a shot at him. Canadians were appalled when a man who walked up to shake hands shot him. Apparently the wound has permanently crippled him. They were even more appalled to find out that the man who had done that had crossed the border and had every intention of killing the President of the United States when he was visiting Ottawa, except, unfortunately for the purposes of the assassin, fortunately for Canadians and fortunately for Mr. Nixon, he couldn't seem to get close enough in Ottawa to do the deed.

Mr. Speaker, for the last 10 years people in this province and in this city have thought it appalling that a man could send away and buy an obsolete high-powered rifle and the ammunition for it through the mail. Everybody in the Province of Ontario can do the same thing. I refer you to page 394 of the Simpsons-Sears catalogue. On the page, among the firearms and ammunition that it offers for sale through the mail, it offers a Lee-Enfield .303. The Lee-Enfield .303 used to be the standard British Army rifle. The only thing that has been done is that the stock, which is probably the least important part of a firearm, has been somewhat modified, probably sanded down a bit, and then varnished lightly to make it more attractive to sportsmen. The only restriction on that page in the catalogue is that it says: "You must be over 17 to buy guns and ammo by mail."

That was an intriguing sentence to me, Mr. Speaker, because I was always under the impression that, while you could buy almost anything by mail, you couldn't send ammunition or explosives through the Canada Post Office. I rather suspect that what they mean by mail is that it will come to you by express. But it really doesn't matter very much, because you are filling out an order form, no one even gets to see you, you can charge it on your credit card or you can write them a cheque and a man will come to your door. The only question that anybody is ever asked is: "Are you over 17?"

So in short, Mr. Speaker, people in Ontario say it certainly couldn't happen here. Lee Harvey Oswald was a piker; he bought a real cheap gun through the mail. He could have purchased, through the mail order outlet here, a much more accurate rifle, and, quite frankly, in terms of this special price, because it's a sale, in terms of constant dollars he would in 1974 be receiving a much better bargain, just in terms of cash, than on what he purchased back in the 1960s.

Mr. Speaker. we have a large department store in Toronto that traditionally will not sell cigarettes across the counter, at least in its main store. It will sell you a rifle and ammunition across a counter in the main store. If cigarettes are a moral hazard or a health hazard, it may be very commendable for that establishment not to sell them. I give them marks for that. But how do you equate the moral or health hazard of a package of cigarettes with selling, indiscriminately and without very much check a high-powered rifle, the ammunition for it; a shotgun, or indeed, since they are a rather deadly device at close range, even the cheapest form of small-calibre rifle? In the end it matters very little; if you are close enough and hit the right spot, even the smallest will do the job.

Mr. Speaker, it seems to me we are at the crossroads in this province. We have watched the rule of the gun take over to the south of us in the second half of the 20th century when it supposedly had ended at the turn of the century. In the United States, in Mexico, in Central America and in most of South America it is quite true that the gun settled the issue and decided who owned what land and for how long.

In Canada, despite the fact that our children, as we were, are constantly subjected to the mythology of the American culture, the gun was not a significant item in the development of Canada and in the harnessing of the potential of the western frontier.

Our frontier was settled with the plough.

In our frontier to the west and now to the north, instead of the wild west and instead of the vigilantes or the Colt revolver, our system of justice and of law and order went west with the mounted policemen. And there is a fundamental difference between the image of the Northwest Mounted policeman and that of the western sheriff or the town marshal. You do not see any type of drawing or early tintype of a Northwest Mounted policeman when his rifle was not in the scabbard, on his horse; and his pistol was in a closed holster

with the lanyard around his neck. There is a big difference between that type of necessary protective armament and the six-shooter tied down on the leg with an open hammer cocked for a fast draw and an instant solution.

Quite frankly, Mr. Speaker, I think it is impossible for the United States ever to turn their back on the law of the gun, but that does not mean that it has to be inevitable in Ontario or anywhere in Canada that we have to tread along the path where everybody arms himself because he is frightened of his next-door neighbour, of somebody down the street, or of a minority group, of social change or just because he wants to be in the vanguard of those who are supposedly standing up for the things that count.

That was not the way this province was developed, Mr. Speaker. Even in the north, when we talk about the cracking of the frontier at the turn of the century in northern Ontario, and we talk about a rather chaotic society, it is in terms of a few fist-fights in a crowded beer hall on a Friday or Saturday night. There are no Billy the Kids or any of these people in Ontario. That's why they say our history is dull. They don't exist anywhere in Canada; they never were here.

It seems to me that a nation that could take that type of a moral tone, when it faced exactly the same problems in moving west and moving north as did American and Spanish society, should be in a position to set not only the moral but the legal tone for what is going to happen to the gun in our society.

I realize that like everything else in this country, this is a split jurisdiction. I don't want to criticize the federal government. I think the federal government, while it hasn't done everything that people like myself would like to see, has tried to cope with the problem of the handgun or the concealed weapon. That is in the Criminal Code. That is their responsibility. I think they have tried to cope with that. I think the present legislation in the Criminal Code, the present enforcement of it—because of the sheer volume of the problem—is not working as intended in the omnibus legislation which was introduced in 1968.

But that doesn't excuse us, Mr. Speaker, in this province, from assuming the responsibilities we have in the jurisdiction over guns. We do have jurisdiction. We have jurisdiction over those types of firearms that are not in the Criminal Code. We have jurisdiction over rifles. We have jurisdiction over shotguns. If we want to assume it, we have the right to restrict the use of these weapons. We have the right to restrict the ownership of these weapons. We also have the right to restrict and control the places where they will be sold.

I suggest to you, Mr. Speaker, there was no public outcry when the old Ministry of Lands and Forests moved in to the gun safety field and said that anyone who is going to apply for a hunting licence for the first time — particularly the younger people — had to undergo a gun safety course administered by people who were fully conversant with not only the dangers but also the proper use of those weapons in the bush.

That was necessary at that time, Mr. Speaker, because of the appalling death toll. We had people killing themselves walking through the fields because they went to climb over a fence and didn't know the proper method of making sure the rifle was not in a position to discharge if their foot happened to slip.

We were faced with the problems of inquests because people went into duck blinds and were minding their own business and preparing to shoot and they happened to move and other people just blasted away because if anything moved it had to be the kind of an animal that you were hunting.

There wasn't any public outcry, Mr. Speaker, and that was gun control. What we were saying was: If you want to hunt there is a responsibility; we will extend to you the privilege of hunting but it is your responsibility to undergo training so that you know the type of weapon that you are carrying and its potential for harm. You should respect the violence and the permanency of the impact of that weapon and therefore, when you are hunting you will be hunting in the safest possible manner; not only to protect your own life, not only to protect the lives of your fellow hunters but also to protect the innocent bystanders, like the farmers and the farm children who happen to be in the proximity of areas where at certain times of the year there are literally hundreds of armed people stalking through the bush, and unfortunately sometimes firing at even the least little wiggle of grass or the snap of a twig.

We did that and there was no outcry. I suggest to you the reason there was no outcry is that it was not only eminently sensible but it met a need. People were concerned about the indiscriminate carrying and use of rifles and shotguns in the bush

and in the country. They wanted something done.

And it was done through the proper authorities. It didn't become a big bureaucracy, Mr. Speaker; it wasn't a cumbersome procedure to go through. You took your training through the local gun club. These were local people who knew local needs; who knew the local people. It has worked remarkably well. I could quote you the statistics, Mr. Speaker, to show that the death toll and the injury toll in the sport of hunting has gone down since that time. There is also a side effect to this: There is a new respectability for the hunter, because now the very possession of the hunting licence is a certificate that this is a responsible person who, in return for the privilege of partaking in a sport that requires the use of public lands as well as the right to cross over far more private land, has put some time in to accepting his own responsibilities. I don't think that there's very much difference between that and a control of firearms in this province.

Mr. Speaker, we have an appalling number of firearms in Ontario. Nobody even knows how many. One of the best estimates is somewhere around two million. That means, literally, there's a firearm for about one out of every four people in this province. When you consider that a significant number of people in this province are under the age of 16, another considerable number are over the age of 65 and a very large percentage are female, where are the two million firearms in the Province of Ontario?

A year and a half ago I asked the then Solicitor General, the member for Bellwoods (Mr. Yaremko), if it was really true that in Toronto there were 100,000 unlicensed handguns—that there were somewhere around 200,000 handguns in existence, but 100,000 of them were illegal. I thought he'd say no. In fact, the real reason I asked him was when I read that in the newspaper I thought this was some kind of a myth, that this was some kind of a fancy figure, and let's not alarm people. I was flabbergasted when he had to come back and say that appears to be about right.

First of all, I think it's rather frightening that there are so many occupations in Metropolitan Toronto where even 100,000 pistols can be legally registered. There aren't that many policemen. There aren't that many Ontario Provincial policemen here. Take in the Royal Canadian Mounted Police, take in the pistols that may be necessary for the militia, take in the people who guard money, such as the express guards through whatever company is employing them, take in the people who carry expensive jewellery or payrolls or other matters, it seems very odd to me that in a place of this size there's a need for 100,000 legal handguns.

Frankly, it's rather frightening that for every legal one there is an illegal one. Incidentally Mr. Speaker, unless you have something of significance on your record, the fine for an unlicensed pistol at the moment is exactly the same as for driving when you don't have your licence. For failure to produce a licence or failure to produce an insurance certificate in the provincial courts, the fine for an unlicenced revolver that was found on you is $50 plus $3.50 costs. Somehow the possession of the handgun is now equated with the same type of carelessness when you don't happen to have your insurance certificate available when you're stopped on a relatively minor motor offence.

I think that's of some significance, because if the possession of an unlicensed revolver was considered to be a signficant crime, then I suggest to you, Mr. Speaker, it would be reflected in the punishment. I suggest to you that indirectly but inevitably we are on the road to Detroit. We are on the road to becoming Chicago. We are on the road to becoming Los Angeles and we are on the road to becoming New York City. The only thing that has saved us so far is that it has taken a little bit more time for the culture of the gun to so permeate our society that by default it is becoming acceptable.

What is the difference about reading a story from the United States about the purchase of a "Saturday-night special"—I think at the moment a Saturday-night special, which is a cheap pistol in Detroit, would cost around $27 or $28—what is the difference between that and sending away by mail for a high-powered rifle?

Mr. Speaker, a victim would be in much better shape if he was more than 20 ft away from a person with a Saturday-night special, than he would be if the person had the type of firearm that you can legally, openly, easily, conveniently, and even on credit, buy in the Province of Ontario.

Mr. Speaker, in Ireland they have a war. I think it's a very sad war; I have personal reasons for thinking that. Do you know that we have six times the number of firearms in this country as they do in Ireland, and they are at war? They shoot each other every day over there, but we have six times as many firearms per capita.

For 25 years, Israel has been in a constant state of war; one never knows when someone is going to throw a bomb or shoot, or the cold war becomes the hot war. It's a country that is supposedly armed to the teeth, where everybody can because of necessity defend his own home on an instant's notice. And I'm sad for them, because I think they should have the right to have their own home without that kind of a thing. But just accepting the state of life there, we have three times as many firearms in Canada as they do in Israel per person—and they are at war.

In fact, the only place that we are better than in terms of firearms is the United States—and that is very small comfort. Because of the activities of the gun lobbies in the United States—and surely they must be the most selfish, the most irresponsible and the most antisocial political lobbies ever mounted—because of the tremendous pressure in the United States, there is a feeling that anybody who talks about gun control in Canada, particularly anybody who talks about the control of rifles and shotguns in Ontario, is about to face the wrath of thousands, if not indeed millions.

I must say I am indebted to the Toronto Star for advising me of that. I thought this was the kind of thing that decent people wanted. I have yet to meet anybody who doesn't want it. I have yet to meet anybody who really was violently opposed to it, who said, "I have the absolute right to have a firearm at all times." They are as rare as confessed land speculators, Mr. Speaker; just as rare.

Why then the delay? Mr. Speaker, I suggest to you that the reason why governments in this country, both the federal government and many provincial governments, have ignored this fundamental issue in our society term after term, is because they are afraid of this wrath that even concerns the mighty Toronto Star. There is no wrath. There is no more wrath, there is no more lobby against a decent, normal type of gun control in this province than there is against any other type of legislation that is needed.

There may be arguments on the better way. There may be some concern about the things that people have been doing, particularly in gun collecting or in the recreational use of firearms for hunting or other target shooting and so on, that perhaps their traditional way of doing things may be a little upset by the introduction of controls. There may be the concern—and I think it's always there when government is considering introducing any type of control—or the fear of bureaucracy taking over. There may be the honest concern of the farmer who does require a firearm, particularly if he has stock. He may have to destroy some of the stock. He may have to protect his stock. Indeed, he may want to have a relatively inoffensive small calibre firearm around to protect his crops.

I refuse to believe that the farmers of Ontario are going to march on Queen's Park because we are going to do something about gun control. I refuse to believe that the farmers of this province are not as aware as city dwellers of what has happened not too far away, that steps are needed and that they have sent people to this Legislature who are capable of producing a programme which will cause the least amount of inconvenience to those who legitimately require the use and ownership of firearms and make it the most inconvenient—in fact a permanent ban—on those who do not require them, have no good use for them and never will use them except upon impulse. Mr. Speaker, when one uses a firearm on impulse, there is no turning back. It is an irrevocable act.

I suggest that in the area of gun control the most responsible people in this province are the gun collectors for they have suggested the way. They have suggested that the same high standards which apply to them apply throughout the province. That is a fundamental departure from the administration of the Criminal Code type of registration for in the Criminal Code and for hand guns, we register the weapon by serial number.

This is impossible, particularly for the farmer with the small calibre cheap rifle and the inexpensive shotgun. They simply do not have serial numbers. Also the bookkeeping and the constant updating of the records is not only erpensive, it is formidable. I suggest it might very well lead to the type of bureaucracy none of us wants in this area.

When it comes to the gun collector, it is registration of the person. If one wants to be in a position to collect not only pistols and revolvers but automatic weapons one must be registered as a person. It is not just the serial number on the automatic weapon one has purchased, it is the person. The serial number, the records—yes, they are important but the fundamental licensing is of the person.

It is the gun collectors of this province who are being maligned because people are saying "They are going to mount a lobby against us." They are not; they are the ones who suggested we register the person. When

a person feels he has a necessity for firearms, whether for occupation, for recreation or for hobby purposes as a collector, we look at the person. Is he or she the type of person who can be relied upon as much as we rely upon anybody to act responsibly toward that weapon and toward the ammunition.

I suggest to you, Mr. Speaker, that ammunition is an interesting thing. If it wasn't for ammunition, we could take off all the controls on guns, even the concealed weapons. All they are is a club without the ammunition. They are valueless without the ammunition so I suggest it not only is practical indeed, it is desirable that we begin to come to grips with the question of unrestricted rifle and shotgun ownership in this province. I was going to say "use," but it's not unrestricted use. A great many municipalities have bylaws making it against the law to discharge a weapon. For instance, if you want to shoot your rifle into the air in Toronto it's against the bylaws. You're not supposed to discharge it. It's one thing to catch somebody target shooting in Toronto. That's pretty easy. The police aren't too far away. Houses are close together. Neighbours are around. It's much more difficult in the country, Mr. Speaker. You wander out into the country where there's just an empty field and blaze away. By the time anybody notices, you can conveniently have departed the scene. And if you're questioned, you can say you really didn't see those little signs that said not to discharge firearms within municipal limits.

Mr. Speaker, the rifle and the shotgun are freely available—and not just in the downtown department stores. I was walking along Yonge St. this morning and, unlike my colleague, the Minister of Consumer and Commercial Relations (Mr. Clement), I am not so much interested in the aids to the flesh as I am in who is selling what type of firearm. I noticed sales on. I noticed some weapons displayed in windows. I noticed the attributes of those weapons boasted about. I noticed the instant delivery available. Nobody asked any questions.

Mr. Speaker, for the life of me, I do not know why anybody in an urban area requires a rifle or a shotgun, unless they are a bona fide hunter as certified by their hunter's licence. I don't know why anybody would want to keep a rifle in his dwelling unless he was a hunter or, indeed, in that rather rare field, a gun collector. What are you going to do with it?

There is a very sad case in my riding, and I don't want to refer to it in detail, because it's still sub judice. But I suggest to you, Mr. Speaker, in that case the person who is now charged would give anything in this world if that irrevocable act of anger, or frustration—it was not intended to do what it did; everybody knows that—if that could be erased. But it cannot be because the rifle was available. The ammunition was available and it's very easy to pull a trigger.

Mr. Speaker, the sportsman—that is the hunter or the target shooter—need have no fear about any type of control legislation on rifles or shotguns. The fact that he, or she, belongs to a gun club—and I've never yet heard of a target shooter who did not belong to some kind of a club; they have to shoot somewhere. The hunter, he or she, doesn't have to fear; they have their hunting licence. That not only certifies but underlines, as I said before, the fact that they have accepted their responsibilities towards firearms.

Mr. Speaker, I don't think the farmer has anything to fear, because the farmer uses firearms for the protection of his stock, or his crop—or, indeed, in some places, probably for his own protection. There's nobody who is going to arbitrarily take away his right to a weapon; for he has established it. He also acts responsibly toward it. But, Mr. Speaker, the people who are going to be affected are the people who are making a good dollar out of the sale of war surplus weapons.

Mr. Speaker, the war was over in 1945. Even if you want to take the Korean war into account, there has not been a significant producion of armaments in this country since 1953. That is more than 21 years ago. How much longer do we have to go on with war surplus stores featuring weapon after weapon after weapon?

As a matter of fact, Mr. Speaker, most of the goods they sell are imported. This is weaponry that has become obsolescent in other armies; the weapons have been sold in job lots, and they are now being merchandised throughout this province and others.

Mr. Speaker, the man on the street is getting concerned about the frequency with which firearms are being used—and not only in the commission of the conventional type or the inescapable type of crime. I don't think there is a person who does not accept the fact that if you are going to be a bank robber you are going to have to be armed. I think we all recognize that. I don't think there is anyone who thinks that any type of gun control, whether it be the Criminal Code on pistols or concealed weapons as we have

now, or what I am proposing in terms of the rifle or the shotgun, will stop armed bank robbers. They are anti-social, Mr. Speaker, they have no regard for society. They are going to arm themselves one way or another; they are always there.

But, Mr. Speaker, this does not mean that because a percentage, perhaps two—no, that's too high—perhaps one per cent of the population chooses to defy and to not go along with the law that doesn't mean that you don't put laws in. If that was the criterion, then you would throw out the sections of the Criminal Code concerning pistols or concealed weapons. You would say since one per cent or two per cent are flaunting the law, or since this is the number of unregistered or illegal firearms, then the law no longer is obeyed, the law is no longer respected—throw it all out.

Mr. Speaker, there is not a single candidate in the next federal election—the one that we have now—from any party who would suggest that you throw out the Criminal Code on concealed weapons, not one. In fact, Mr. Speaker, I would be surprised if indeed you could find more than a handful of all the candidates—not just from the major parties, of all the candidates—who would want to ease in anyway the restrictions that now apply to hand guns. So it is a very facetious argument that because a number of anti-social people in our society are defying the law that that means we should have no law. On that basis, Mr. Speaker, anarchy would have been with us a long time ago.

But I also suggest to you, Mr. Speaker, if the people of Ontario want harder and harsher jail sentences for those who indiscriminately or illegally use firearms, if they want a tightening up of the registration processes, a tightening up on the importation regulations, a tightening up on gun sales in general, if they want that then I suggest to you, Mr. Speaker, it ill behoves the Province of Ontario to point the finger at the federal government and the Solicitor-General unless we are prepared to do something as meaningful.

I suggest to you, Mr. Speaker, the statistics will bear me out. The control of rifles and shotguns is just as imperative in our society as the control of hand guns. The statistics show that 38 per cent of the gun offences in Metropolitan Toronto involved rifles and shotguns. And, unfortunately, if you take away the professional criminal, who will get a pistol or some other weapon one way or the other—if you take him out of those statistics; you remove him, because he is always going to be with you—if you look at those statistics, the bulk of the other firearm offences are conducted by people who use rifles or shotguns.

As I said before, Mr. Speaker, control is necessary if we are to avoid the fate of the US cities. Mr. Speaker, I don't know whether you have ever been in Mexico, but when you are taking a long drive across the desert, and people know you have money, they sometimes suggest to you that you carry a little something with you. They hand you a cocked .38 and tell you to leave it on the seat of the car.

Mr. Speaker, I don't want ever to have to take a long drive across the Province of Ontario with a cocked .38 in the front of my car.

Mr. I. Deans: (Wentworth): The member is getting carried away.

Mr. Drea: No, I think it is a valid argument.

Mr. Deans: Some of his argument makes a lot of sense, but he is getting carried away.

Mr. Drea: It does, all of it does. I haven't even warmed up, yet.

Mr. G. Nixon (Dovercourt): Give it to him.

Mr. Drea: Mr. Speaker, I don't want—

Mr. Deans: Then the member should be carried out, not away.

Mr. Drea: Mr. Speaker, I don't want to reside in a city that has gone the way of Detroit, or Chicago, or some other places. Mr. Speaker, there is not that much fundamental difference between Americans and Canadians. There is not much basic difference. There is at the moment a difference in attitudes, but their current attitude towards the pistol wasn't that pronounced in the 1940s or the 1950s, it only came about in the 1960s.

Mrs. M. Campbell (St. George): Our history is different.

Mr. Drea: If you were here—I elaborated at great length. In fact, Mr. Speaker, the first gun control on this continent was put into effect in New York State. This state, theoretically, has banned almost everyone from carrying a pistol since the turn of the century, and yet it finds out now that virtually a good one-third of its population is illegally armed.

Mr. Speaker, I suggest to you that we in Ontario are at the crossroads. We can give lip service to the federal government tighten-

ing up the Criminal Code procedures. I suppose we can put some more economics behind the registration branch of the larger police forces and of the Ontario Provincial Police for pistols and concealed weapons. I think that's overdue.

But, we must begin meaningfully to deal with the bulk of the weaponry in this province, and the bulk are riffles and shotguns. There are probably three or four times as many rifles and shotguns as there are pistols in Toronto. They both do the same job; in fact, one, if you know what you are doing, will do a far better job. In fact, I suggest to you if you don't know what you are doing, a rifle or shotgun will do a far, far better job. Having had considerable experience with that I would suggest that the amateur would be much better off with a rifle or a shotgun. You can create quite a bit of devastation without knowing exactly what you are doing, with a shotgun.

But, Mr. Speaker, I don't think it is a valid argument to suggest that by coming to grips with this situation that the members of this Legislature are going to incur the wrath of the people who now legitimately use and have access to firearms. I cannot see how we would annoy a single sportsman—he has already been annoyed, because either he has gone through the training programme or he has his hunter's licence. He has already done that. The collector is already rigidly licensed and rigidly inspected. To the farmer, as I've suggested, the inconvenience would be only incidental. Incidentally, it is very interesting talking to farmers who say that they don't want this. You talk to them and they tell you they are just as concerned about the indiscriminate use of firearms, and perhaps, more than those of us in the built-up urban areas. They don't talk about people becoming alienated and going off the deep end. They talk about the kooks who walk down the road and let go. We may be a bit more sophisticated in our approach but they face the same basic problem.

Mr. Speaker: Perhaps the hon. member would find this a convenient spot to break his remarks since we do have a private members' hour.

Mr. Drea: Yes, I would, Mr. Speaker.

Mr. Drea moves the adjournment of the debate.

Motion agreed to.

PRIVATE MEMBERS' HOUR

ONTARIO RENT CONTROL AND SECURITY OF TENURE ACT

Mr. Cassidy moves second reading of Bill 40, An Act to provide for Rent Control and Security of Tenure.

Mr. I. Deans (Wentworth): Okay, now.

Mr. M. Cassidy (Ottawa Centre): I am subject to some kibitzing from my hon. friends, Mr. Speaker. However, as I think you will learn, they are all firmly in support of this bill, which is in fact an expression of official policy of the New Democratic Party in Ontario. In fact, the need for this bill has become much more urgent in the past year than when it was originally introduced in the 1973 session—so much so that it has now been urged by the Toronto city council and by the North York council; and in fact the principle has even commended itself to the hon. member for St. George (Mrs. Campbell), who has introduced a rather weak bill to amend the Landlord and Tenant Act which essentially endorses the same principles as Bill 40, which we have before us today.

Mr. Speaker, under the current conditions in the housing market, the way is clear for landlords to subject tenants to exploitative and unjustified rent increases, and they have absolutely no protection. This government has repeatedly refused the opportunities to equalize the powers between landlords and tenants; it has consistently taken the landlord's side in landlord-tenant relations, and that is one of the reasons why we are at the situation we are at today.

Because of the inflation in housing prices in the province, which has been created by policies of this government, more and more people, particularly families with young children, have been compelled to become tenants or to remain tenants, having no other options. They are now in a position where they are at the mercy of landlords who can charge whatever they feel the market will bear because of an unreasonably tight housing situation.

It's in those situations, Mr. Speaker, that it is time that we had a code of conduct, if you will, for landlords and for tenants in order that the relationships, which have been becoming poisoned by the current market situation, can be sorted out on a rational basis.

Years ago landlords and tenants seemed to get along fairly well; there was a kind of a friendly relationship between them, in which there was some tolerance by tenants

for landlords and some tolerance by landlords for their tenants. That situation has changed with the introduction of very large property management companies and with the introduction into the housing market of a large number of smaller speculative landlords whose main aim is simply to make a fast buck—the Rachmans of Ontario, if you will. We've seen a number of them in Ontario; in fact, they were one of the reasons that I originally got into politics.

Our problems in Centre Town Ottawa, which is in my riding of Ottawa Centre, have now become universal to every large city in the province. As more and more people are forced to be tenants, as the options available shrink and as the vacancy rate shrinks, thanks to the housing policy of the government. people are subjected to rent increases of $20, $30 and $40 for no increase in services; in fact, it's often for a decrease in service.

The other day I had a phone call from a lady in a townhouse in North York, here in Toronto, whose rent was being raised from $216 a month to $298 a month. I have a letter here from a lady who lives on Metcalfe St., in the riding of Ottawa Centre, in a building that is 25 years old and where the tenants have had great difficulty in even getting painting or decorating, having the floors cleaned or any other kind of help like that, but last year they were subjected to rent increases of 10 per cent to 15 per cent, which were simply not justified by any increases in costs.

The statistics on this particular field are difficult to find. They are difficult to find for several reasons. The CHMC figures are clearly misleading. The information one receives over the telephone is much more instructive but is not comprehensive. I think if the Minister of Housing (Mr. Handleman) were here he could probably produce some of the best information about the kinds of rent that people are having to pay and the kind of rent increases to which they are being subjected.

In the recent city of Toronto report, with which they backed up their request to the province for a rent freeze over the next six months, estimates were given, according to CMHC, that the rent of a bachelor apartment in Toronto is now averaging $152 a month and for census Metropolitan Toronto, $149 a month. In the case of a one-bedroom apartment, it's $181 in Toronto; for a two-bedroom apartment the average rent of units available in Toronto is $270 and for the three-bedroom apartment, the average is $323 a month. Mr. Speaker, that is clearly quite out of the reach of the average Ontario family, the average Toronto family. It has to be taken in comparison with the average industrial wage here in the province which is still in the order of $160 or $165 a week.

Now, many years ago, back in the early 1960s, that average industrial wage was barely enough for a small apartment in the city of Toronto, but at that time people earning the average industrial wage who were raising families could buy a home or they could rent a flat. Nowadays the accommodation which is available on the market is almost exclusively high-rise accommodation. And families, if they cannot afford a home of their own—that is, if they have an income of less than $17,000 or $18,000—are forced to rent. That family earning the average industrial wage simply cannot pay $250, $300, $325 a month—the rents that are prevailing for family-sized apartment accommodation. And there is no protection for them. The landlords simply say that they should be subjected to the normal forces of the market and the devil take the hindmost and the government is no more willing to look after their particular plight.

I have a letter here from the minister in which he thanks me for a copy of the bill in which he then says there is some question in his mind as to whether one can transpose the Quebec experience with Ontario since the rental accommodation market in the major centres in Ontario has been different in several respects from that of Quebec in recent years.

Well, Mr. Speaker, the major way in which the rental market has been different in this province in recent years has been that it is a lot tougher, a lot tighter, a lot more inflationary. And yet it is very interesting and very curious that since 1953 the Province of Quebec has had a rent regulation or rent control system which has worked with a fair measure of success on the older properties to which it applies. And, Mr. Speaker, the principles of the Quebec legislation are the principles which are adopted in the legislation that is put before you in the Act to provide for Rent Control and Security of Tenure.

There are a number of important things that I think should be singled out because this is not panic legislation. It is carefully thought out and has been developed in conjunction with community groups, tenants' groups and the like. This is not legislation that simply is directed to the question of the price of housing. It is also directed at providing better conditions for tenants in order to protect them against arbitrary action by landlords.

Those members who have examined the bill of the member for St. George will note that while it allows a landlord and tenant review tribunal to protect tenants against an unreasonable increase—and there is no definition for that—for a period of up to a year, there is nothing to stop the landlord from subsequently evicting his tenant, bringing in a new tenant and imposing the rent increase that he couldn't get the first time around.

Now, it seems to us in the New Democratic Party that now that we have reached the situation where such a large number of people in the province are tenants; where certain people would prefer to be tenants and many more are compelled to be tenants because they simply cannot afford to purchase housing, we should do our best to equalize the condition of tenure as between owners and tenants. And the chief difference is the security, Mr. Speaker. If someone owns his own home then short of expropriation he cannot be kicked out except on economic grounds, and presumably it's difficult for him to be kicked out on economic grounds if he was able to afford the house in the first place. If someone is a tenant, however, he can be kicked out if the superintendent doesn't like the colour of his eyes or the way in which his daughter punches the elevator buttons on the way to or from school.

In those conditions, a family can find itself put out on the streets in the middle of the school year, with only four weeks' and a bit notice, with no place to go and with no legal redress beyond an appeal to courts, which have proven themselves to be totally biased in favour of the landlords.

As far as the landlord is concerned, the only reason he needs to give in court to justify an eviction is that he didn't want the people to stay or he wanted to empty or vacate the unit. The fact that he may have had no tenant for the unit doesn't matter. The fact that the tenants may have been perfectly good tenants doesn't matter.

If the tenants had been seeking to bring an action under the Landlord and Tenant Act, they conceivably may have an action against the landlord and be able to stay the eviction—but that is a very temporary thing, because within a few months the landlord can come back and kick them out once the procedure under the Landlord and Tenant Act is complete.

What this bill says is that a tenant should be guaranteed security of tenure, and that this is a necessary accompaniment to the guarantee against arbitrary or unjustified rent increases. Clearly, tenants, like landlords, have got obligations; and those obligations are spelled out in the criteria under which a landlord can seek an eviction in the bill.

As I can recall them, a tenant who doesn't pay his rent; a tenant who causes a persistent nuisance in the community; a tenant who is running a brothel or has some other illegal activity in his apartment; a tenant whose premises are overcrowded, according to the standards laid out in the law; a tenant who is damaging the rented property or its environs—can be evicted on order from the landlord and tenant tribunal, which is set up in this particular bill.

In other words, there are clear reasons by which a tenant can be guided if he knows what he has to do to get kicked out, or alternatively, what he has not to do in order to stay in.

Finally, there is the one exception made, again paralleling the Quebec experience, which permits a landlord once every five years to actually ask a tenant to leave and to compel him to leave if the landlord needs that property for the uses of himself or of a close relative; and that is to take account of a situation of a very small landlord. As I recall, I think that we said that this bill should not apply to the situation of a family residence where there were one or two lodgers and which was not being run essentially as a commercial activity, because that is rather too far from the ordinary market.

At any rate Mr. Speaker, the security of tenure has got to be in this bill or else a landlord can evict a tenant who takes that landlord before the landlord and tenant tribunal in order to get a rent determination.

The next thing, also drawn from the Quebec experience, is an effort which I think would be successful, because it has been successful in Quebec, to ensure that the principles of this bill, as far as rent regulation is concerned, are administered so far as possible in the private sector, rather than by an army of bureaucrats.

The principle is that rent should only increase insofar as costs increase. If a landlord's mortgage comes due and he has got to pay a higher mortgage rate, then clearly he has got some increased costs and that justifies some passing on of the cost of the tenants. If fuel oil goes up, or gas, electricity or maintenance costs go up, if there are substantial renovations that are clearly required, then a landlord is justified is asking the tenant to pay part of that burden.

We don't object to that, Mr. Speaker. What we do object to is the landlord who simply piles an extra $20 on the rent every year or every year and a half for profit-making purposes, and the rapid passage of property from one owner to another in which rents are raised, the value is capitalized, reflected in a new purchase price and then the new landlord, in turn, finding himself overcommitted, raises the rents once again; and so it goes. That would not be permitted under this particular bill.

The bill says that rent review officers, who would work in a very informal fashion, would seek to mediate any dispute between landlords and tenants where the landlord and tenant couldn't reach a decision on their own. It says that if the rent review officer is called in and the landlord and tenant are at odds over a new rent determination, if the landlord is asking more than the tenant feels is justified, say, then the landlord's books should be open to the tenant. The bill says that if tenants wish to work in common, they may do so; because of security of tenure they are protected from arbitrary eviction which is often the fate of tenants who seek to organize their colleagues and fellow residents under the existing landlord and tenant law.

Only if one party or the other rejects the decision of the rent review officer, Mr. Speaker, would the case then go before the tribunal which is established in this bill. The landlord and tenant tribunal would then have the powers to make a rent determination, which would be binding on both parties.

I think the experience of Quebec in the early months of its new Act, which is very similar to this one, is very instructive. This indicates that 90 per cent of the cases referred to the rent review officers under their Act have been settled without going to their regie de loyer, their rent tribunal; and, for that matter, most cases of rent determination are settled without even having to go to the officials that are established under the Quebec Act.

I would point out, too, to the critics—and I know that one or two people in the government are liable to cite the instances of rent control in other jurisdictions—that as far as the critics are concerned, they had better look at the situation, not in exotic parts of the world, not in Britain and not in New York City, but in an area where the conditions most closely parallel those that we have in Ontario; that is, in the Province of Quebec.

Quebec has had rent control for 21 or 22 years. Previous to that, Quebec had rent control under the federal Act, which came in, I believe, in 1939 or 1940. So for a period of more than 30 years there has been rent control in Quebec of a flexible nature, which allowed landlords to pass on increases in costs but prevented the kind of inflationary cost increases and rent increases we have had here in Ontario.

According to all the critics, including numberless government back-benchers in this Legislature, the Urban Development Institute and other people like that, one should see slum after slum in downtown Montreal; one should see a completely frozen residential construction industry; one should see a situation of quite arbitrary differences in rents between the non-controlled sector and the controlled sector—all sorts of disastrous things should be happening.

The fact is, Mr. Speaker, that the major criticism about the Quebec legislation has probably been that it should have been advertised more actively. On the older property to which it is applied, it is applied successfully; and the rents on working class accommodation in Montreal, for example, have remained much more stable than they have in a comparable city, that is in Toronto.

Secondly, there has not been the drying-up of construction of accommodation, of duplexes, of walk-up apartments, of apartments and of other kinds of accommodation directed to working people that one would have expected, according to the critics. In fact, there has been a very steady flow of this kind of accommodation on to the Quebec market over the last 20 years, particularly in Montreal, the city whose market I happen to know best.

Then what about other kinds of accommodation? There has also been a steady flow of accommodation in the luxury and semi-luxury class. It has only been in the last year or so that Montreal for the first time has experienced any severe problems with a tight vacancy rate, and that is due to other economic circumstances, certainly not to this particular rent control thing, because after all rent control has been around for 20 or 30 years, and hasn't had the predicted impact.

It seems to me that the experience in Quebec shows that it is possible to provide security of tenure, as they do in Quebec; it is possible to provide a code of conduct or a standard for landlords and tenants, a court of appeal for tenants—or for landlords, for that matter, because sometimes landlords get aggrieved—and it is possible to build enough

flexibility in it to prevent the situations that have happened in Britain and in New York, where they do have a sharp disparity between the controlled and uncontrolled markets, to improve the social equity of the housing market and to prevent the kind of situation that we have been having here in this province.

I would suggest, Mr. Speaker, that when the price of family accommodation in Toronto is up over $300 a month; when landlords and other observers are freely predicting rent increases of 10 per cent or more; when many of those rent increases will be based simply on the fact that somebody else is getting that amount of money; when the documentation of the miseries being suffered by tenants is increasing; when the Housing Ministry now has federal figures that indicate that a third or more of Ontario families are paying well over 25 per cent of their income in housing costs and that that is getting worse and worse; when the councils of Toronto, of North York and other cities across the province are either adopting, supporting, or growing interested in this essential measure for the protection of tenants, this is an idea and a bill whose time has come. I commend it to the government and hope that it will waive the rules this once and adopt the bill.

Mr. Speaker: The member for Peterborough.

Mr. J. M. Turner (Peterborough): Thank you, Mr. Speaker. I would like to say a few words regarding this bill. I suppose anybody with a social conscience can have some sympathy for it and for what is trying to be accomplished through the introduction of the bill itself.

One of my reservations, Mr. Speaker, is I don't really see how you can propose rent controls without imposing other forms of control. I don't think you can pick out one segment of our society and say we are going to control you and let everybody else operate on an unhampered basis. Some people are probably very much in favour of this type of legislation for rather obvious reasons. I can think of just yesterday evening when I received three phone calls which were of a somewhat different nature than what the member for Ottawa Centre describes.

One was from a 63-year-old lady who had suffered two rather severe heart attacks. She is living on the third floor of a converted dwelling and her doctor has told her that she should not be climbing the stairs. Coincidentally, apparently just over the weekend, she received notice from her landlord that the rent would be increased for no particular reason. This woman is living on a fixed income and is of rather meagre means. She finds it a real hardship actually to pay the rent which she is paying.

The second case was a mother on mother's allowance with four children and very similar accommodation, an apartment in a converted dwelling. Her rent was being raised from $129 to $145, which may appear to be a rather insignificant item. But having regard for the fact that this woman is living on a very small income with the responsibility of four children to clothe and feed, she finds it a real hardship. It would seem to me in a lot of instances that I've had experience with anyway the problems are not associated with what I call the professional landlord, but more closely associated with what I refer to as the amateur landlord. He is a person who converts his dwelling or buys another dwelling and makes apartments. Then in order to justify the cost of the purchase he has raised his rents.

It would seem to me also, Mr. Speaker, that governments should actually be looking for other means and more direct solutions before resorting to rent control. Obviously, tenants have more votes than landlords, and I suppose that it is politically tempting to impose this type of legislation as a temporary solution, I would suggest, to some very urgent problems. However, I think you have to look at the long term effects of these things. I would suggest that once you impose any controls, the more difficult it is going to be to remove them. Those of us who remember what happened after the last war when we had rent control and then when the rent controls were removed, know that the results of removing them were often more disastrous then the imposing of the rent controls themselves at the time.

It would seem to me that possibly governments should be looking at what they can realize through subsidies rather through controls. Thinking in terms of rent allowances and public housing, which we are very closely involved with, I would suggest subsidies for people in the private sector as well as in the public sector.

I would suggest that if regulation is going to be introduced it should be done on terms which are very flexible to permit the rents to change as the landlord's costs and management costs increase. And, of course, as the condition of the building improves or deteriorates. Any rent freeze, which puts the

onus on politicians to suggest picking a figure from the sky would be to me a very serious abuse, in fact a very grave error.

The purpose of the regulation, I would suggest, must be only to ensure that rents are fair and reasonable in relation to other prices. If poor tenants need subsidy, surely it is up to the community—the government, if you will—to provide that subsidy and not their landlords. I would suggest that rents should be fixed by some valuation of the service that the building offers. All evaluations, of course, are comparisons. The best comparison to make in this case is with rents freely determined in sectors of the market which people accept as being fairly-priced, usually at the top end, or in areas where there is no shortage of housing.

The question that we should be asking is: How much should be paid for this accommodation if it is to offer fair value for money in comparison with what is being paid for accommodation agreed to be fairly-priced elsewhere? Everything about the accommodation should be considered; its age, size, maintenance, location, the length of the lease and, of course, the services that are provided, the general character of the neighbourhood and the opportunities that that particular district affords. And I would suggest that this sort of valuation demands competent and honest evaluators, obviously, who may or may not be in short supply. But they may not be as plentiful as some people may think.

And, of course, to administer rent regulation effectively there must be properly qualified and readily accessible officials stationed in offices throughout the area that is to be affected. They should have the powers, of course, to advise and arbitrate between landlords and tenants, to fix rents subject to some sort of appeal. However, I would suggest the most vulnerable and inarticulate tenants are unlikely to get their rights unless these officials or someone else actively goes out into the community and seeks them out.

It would seem to me also that an effective system of rent regulation is not a substitute for subsidies to the private tenants. And I think we will have to depend more on such subsidies.

These questions which I have raised are somewhat disconcerting to me. They raise a very real doubt in my mind as to how rent controls can be administered. One of the problems I am concerned about in having rent control would be whether we would possibly be driving investors from the rental market at a time when we need much more accommodation, thereby causing a shortage of supply. Also, if landlords are being, or could be, subjected to rent control, I question—

Mr. Speaker: Order please, could the member wind up his remarks now? His time is up.

Mr. Turner: Oh, thank you very much, Mr. Speaker. I wasn't watching the time.

Mrs. M. Campbell (St. George): Mr. Speaker, I want to commend the member for Ottawa Centre for bringing forward this bill and for the manner in which he has developed its philosophy.

It is unfortunate that at a time like this it is left to private members to try to grapple with the problem in a vacuum so far as the government of this province is concerned. There is no question that if I were simply to look at the matter from the point of view of the very heavily apartmentized people in my riding, I would give wholehearted support to the bill itself. There are things about it, however, with which I cannot agree.

The proponent of the bill has said that landlords and tenants had a good relationship in this province and that I believe to be true.

One of the things which developed was with the imposition during the war of rent controls. What happened there could be exactly what is, in effect, proposed in this bill. At that time a small homeowner who rented a house out was under control, but the head tenant was not under control, so that the head tenant was able to charge whatever he or she liked for a room but the owner of the house was strictly controlled and, in fact, could not even increase the rent in accordance with proven costs.

What you have here, will, as I see it, increase this kind of dichotomy where you start out with a fixed period — December, 1972—and then you have clause 15, which will not permit any increase beyond five per cent regardless of what the costs have been. I would point out to the proponent of the bill that if this itself wouldn't create problems, where the tenants are probably requiring from their union contracts more than five per cent, this is the sort of thing which creates the problems in this field.

One of the things which I, on the other hand, commend him for is that he has included in section 13 no discrimination by

reason of marital status. Certainly this is something which this caucus would support.

But, look now at the philosophy of the bill. We develop a tribunal with which we are in hearty accord. We have a tribunal which can subpoena people to give the facts of their case, and to make a determination based upon the costs of the landlord. And, one of the costs, of course, that the proponent did not refer to in discussing the Ottawa situation was taxes. I would assume that he would expect that as the landlord pays increased taxes he would be expected not to have to carry that burden alone even under section 15.

It is good to arrange to have conciliators in this case, but I find it very interesting that this particular caucus—that is the NDP—were so infuriated at the idea of increasing the civil servants for warranty legislation, and yet they propose that sort of increase here. Of course a rent regulation officer would have to be multiplied by, I should think, hundreds in Metropolitan Toronto if he or she were going to deal with the matters which are proposed in part 3 of the bill.

It seems to me, Mr. Speaker, that what we have here is a bill which ostensibly appears to be fair to both parties and yet which is heavily weighted against not so much the big landlord but, if you look at section 22, subsection (f), the small person. Surely, when you look at that provision where the landlord might be able to regain the use of premises if he or she can prove that they need it for themselves or for a relative you see that while the proponent talked about a close relative, that isn't, of course, what the bill says. Be that as it may, it is only the small person who is going to come forward and say, "I need my house." Now, they say you can do that once every five years. But of course, it doesn't say when that five years starts to run.

These are small points and I realize that if we sat down together we could probably work out some closer compromises to this kind of legislation. But the fact remains that there is a gap in this government's approach to the whole situation and in the riding of St. George I am going to see house after house torn down and taken off the market because we have no demolition control—and those people are going to be needing houses. Then you find this government is not concerned about either the security of the tenants or about any form of assessment of rent, and I say, Mr. Speaker, that the government has a tremendous responsibility in this area.

I am very much of the opinion that one has to regulate rents; one has to sit down and work out what the landlord can, in fact, charge in the light of his costs. The control dating back to 1972 in today's market is unrealistic and I can't support it on those terms. Thank you, Mr. Speaker.

Mr. Speaker: The member for Wentworth.

Mr. Deans: Thank you, Mr. Speaker: It is a shame that we have to move a bill like this in the Legislature. The government should have been able to see some time ago that there was a great deal of gouging taking place in the provision of rental accommodation and the government should have moved to do something about it. I think it's got to be said that if this government had recognized that there was in fact no opportunity for the majority of middle and low-income people to get rental accommodation at a price that would be within their ability to pay, and if they had moved to provide that kind of accommodation, then the private sector wouldn't have been able to gouge and we might not be faced with the problem we are facing.

The government itself knows full well that there is gouging taking place. The evidence of this is in the fact that they have established a rent-geared-to-income system even within their own Ontario Housing Corp. rented accommodation. They recognize that people in many instances can't afford to pay the market value of what the market demands, from the wages they currently have.

So the responsibility for the problem that has arisen over the years rests four-square with this government. I think it was four years ago that the city of Ottawa came to Queen's Park with a private bill and asked the Legislature to pass that bill and give the city of Otawa the power, at its discretion, to impose a form of rent control which would have taken care of a problem which was festering in Ottawa at the time.

This Legislature, at least this government—I shouldn't say the Legislature, because the opposition in fact agreed with the bill—decided to kill the bill, and kill it they did. The end result was that in the city of Ottawa, as in most other major areas across the province, rents continued to rise. Today we see rent increases being brought in of 50, 60, 70 per cent, even 100 per cent over one month.

I've had brought to my attention, for example, one rental increase where the rent was supposed to go from $130 to $240. It is absolutely ridiculous. We are not talking about the provision of colour TV. We are not talking

about wall to wall carpeting. We are not talking about fancy automobiles. We are talking about an essential, and it is evident that people can't withstand those kinds of rent increases. It is evident that the private marketplace is not about to come to grips with it, and when the private owner is asked what it is he needs the rent increase for, the answer inevitably is, "None of your business."

I suggest it is our business. It is our business to take care of and protect those individuals in the province who have no economic power of their own and no power to protect themselves. There are a great many people across this province who are frankly being gouged on a day to day basis by unscrupulous landlords. That doesn't say that every landlord is unscrupulous, not by any stretch of the imagination. There are any number of good landlords across the province who don't take more than the economic rent would dictate. But the fact of the matter is that in many areas the cost of the accommodation bears no relationship to the actual cost of operating and amortizing the building.

What has happened is that the practice has developed over the years where the cost of the accommodation is related directly to the cost of other accommodation in the area. As new apartments are built, and as the amortization of the new apartments requires a considerably larger amount of money from the tenants, the rent of every single apartment in that immediate area rises to the level of the highest, rather than the level of the lowest having any real bearing on what can fairly be charged.

I can say I've probably had more complaints over the last seven years about the lack of justification for rental increases than I have about any other single thing. I think that probably people have reached a point of frustration. They've come to the conclusion that the government is not about to provide them with any meaningful protection.

I don't understand for the life of me how we can afford to sit back and allow people to be taken by unscrupulous profiteering in the provision of accommodation. It is happening in housing, and the Minister of Housing is doing little if anything to come to grips with it. It has been happening for years in apartments.

In spite of the fact that members of this Legislature have risen, year after year after year, and asked for review tribunals with the power to establish what is a fair and economic rent, and to say to the landlord, "that's what you can charge," nothing has occurred in this Legislature. It is evidence of the government's complacency. It's evidence of the government's hard-hearted attitude towards people who must rent. You are going to find if you wait just a few more years that because of the exorbitant price increases in the housing market, increasingly you are going to have a much larger proportion of the total population living in rental accommodation. And the more people there are living in rental accommodation, the more you are going to see the kind of rent gouging that we and others in the House have been talking about.

I was interested in the comments of the member for St. George; I am always interested in her comments. I thought they were a bit nitpicky today, but that's okay.

The member for Peterborough, who isn't here, unfortunately, was mentioning that you can't impose rent controls without controls in other areas. He doesn't seem to be able to differentiate between the provision of a necessity and the provision of a luxury. There should be controls in some other areas, and we have spoken about the need for those, too. Some control has to be exercised over the cost of the basic commodities required in order to sustain life. It is time that there was some government say in what it is going to cost people to eat, and to provide themselves with shelter in this province, right across Canada.

I don't think there is anything wrong with a government saying that it's going to stand up on behalf of the consumer for a change, and make sure that some absentee landlord, perhaps residing in Germany or Switzerland or down in the US some place, isn't going to be able to come into Canada, and into Toronto and Ontario, and take out of this economy just whatever he happens to think he would like to, rather than what is justified and what is just.

So I think that what the member for Ottawa Centre has suggested makes a lot of good sense. It may need a little tightening up here and there, but then no bill that comes into the Legislature doesn't require a bit of debate and a few changes in order to make it compatible with the desires and wishes of the majority. The fact of the matter is that the intent of the legislation is to come to grips with a problem this government should have solved 10 years ago.

Unless this government is prepared to take steps to make sure that what we see happening around us every single day—rent increases that are totally unjustified—and take the steps necessary to come to grips with

them, we are going to find people paying 60 and 70 per cent of their incomes just to provide accommodation for themselves and their families. We can't afford it. We just can't afford it.

Unless this government does this, it's going to be faced some day with the prospect of having to provide rent supplements for people up to and including middle-income earners.

Mrs. Campbell: Upper.

Mr. Deans: Upper middle-income, perhaps. We have so many people in the Province of Ontario, the elderly, on the one hand, for whom there is no adequate Ontario Housing accommodation across the province, and who are being taken at every single turn at every month of the year for far more of their meagre incomes than they can afford.

We have young families living in rental accommodation who can't save to buy a house because their rental accommodation costs are so exorbitantly high. We have single people who can't find accommodation that they can afford anywhere across the province, people who are on disability pensions and who are receiving allotments and allowances from the government because of their infirmities. This government has failed miserably to respond to those needs.

The government can solve the problem in one of two ways or it can do it both ways. It can either build the accommodation and make it available at a cost that people can afford, on a rent-geared-to-income, and I suggest that should be done in any event, but until that is done, the government is going to have to take steps to control the rents that people are having to pay today. I say to the government that it must pass some form of legislation along this line until it is able, as a government, to come to grips with the shortage in the housing marketplace. This is not a shortage of accommodation, but a shortage of accommodation people can afford.

This government has a responsibility. The responsibility is to provide an alternative market for people who are presently being taken day in and day out by unscrupulous land developers, home builders and apartment owners. And until such time as that occurs, the government has an indictment that, frankly, I wouldn't want to live with.

Mr. Speaker: The hon. member for Peel South.

Mr. R. D. Kennedy (Peel South): Mr. Speaker, I am pleased to have the opportunity to join in this debate. It may startle the member who introduced the bill, the member for Ottawa Centre, to know I'm not totally out of sympathy with the objectives he has here.

Mr. Deans: Not totally?

Mr. Kennedy: Not totally, no. The problem is recognized and I commend him for bringing this forward. I think we've had a good 50 minutes; I hope we can say it's a good 60 as presumably, I am the windup speaker.

I was interested to hear him express the thought that the position of his provincial party was that it was in favour of rent control. I am curious as to how this reflects or is compatible with the views of his national leader who said that controls won't work. This is what I understand from listening to the radio.

Mr. J. A. Renwick (Riverdale): He said rent control is a provincial matter.

Mr. Kennedy: No, he said controls won't work.

Mr. Renwick: Rent control is within the jurisdiction of this Legislature.

Mr. Kennedy: I didn't say it wasn't. I'm just saying what he said and I wonder how it relates.

Mr. Renwick: The member shouldn't spoil his argument by making such silly remarks.

Mr. Kennedy: It's not a silly remark. This is what he said.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): It's not so silly.

Mr. Kennedy: Controls don't know any boundaries.

Interjections by hon. members.

Mr. Deans: Of course they do! We already exercise controls.

Hon. Mr. Winkler: Come on.

Mr. Kennedy: No, this is what he said.

Mr. Deans: We already exercise controls in a number of areas.

Mr. Kennedy: One can't isolate one province with one set of controls on one issue.

Mr. Renwick: We can legislate rent control in the Province of Ontario for the good of the people of the Province of Ontario.

Mr. Kennedy: As in Quebec?

Mr. Renwick: Let's move on to the member's second argument.

Hon. Mr. Winkler: Who was their leader talking for?

Mr. Kennedy: As in Quebec?

Mr. Cassidy: Quebec has done it for 20 years.

An hon. member. That's right.

Mr. Kennedy: I was very interested to hear those remarks. I didn't know it had been such a glorious success in Quebec and I'm not arguing; perhaps it has. I do know this—

Mr. Renwick: It has also been very successful in the city of New York.

Mr. Kennedy: In Quebec the demand for housing is much lower than around here and, I think, most parts of Ontario and the supply is greater. A house there, roughly comparable with one here, is perhaps half the price. This is changing now. It's rising in Quebec—

Mr. Deans: That is another problem.

Mr. Kennedy: —and presumably rental accommodation rides along about the same as to availability and price and so on; I don't know.

Mr. Deans: Maybe if the government had done something about that we wouldn't be faced with this either.

Mr. Kennedy: I don't think the member is really comparing apples and apples but it is an interesting point he raised.

The member for Wentworth mentioned the Ottawa bill of five, six or seven years ago, which came into the House advocating rent control. I got the journal and brought that out because it is quite an interesting bill. I recall it very well and it was rejected by the House.

Mr. Deans: No, it was rejected by the Tory party.

Mr. Renwick: That's right. In committee.

Mr. Kennedy: All right; don't split hairs. It wasn't instituted.

Mr. Deans: It was not rejected by the House. It was rejected by the Conservative Party.

Mr. Kennedy: All right. It was rejected in private bills committee.

Mr. Deans: By the Conservative members.

Mr. Renwick: By the Conservative members.

Mr. Kennedy: Okay. Rejected is rejected. It wasn't accepted.

Mr. Deans: By the Conservative members.

Mr. Renwick: Not by the New Democratic Party.

Mr. Kennedy: One of the things that concerns me about this—and the member for St. George mentioned it—was the huge bureaucracy which would be needed to administer any such plan. This is contained in the Ottawa bill. There are two or three pages about the powers which would be granted to this tribunal.

Mr. Renwick: The member is a fine one to talk about bureaucracies being huge.

Mr. Kennedy: I'm never in favour of them. We have them.

Mr. Renwick: Why does he just talk about bureaucracies?

Mr. Kennedy: In the explanatory notes, the member mentions the network of rent regulation officers located in major cities around the province, which is indicative; and this would be true—the wrangling over rental levels. Obviously we'd need appeals and it would just be an ongoing process which might inflame the situation.

Mr. Deans: So we will do nothing because you would rather do nothing than do something.

Mr. Kennedy: But obviously you would have a lot of it, Mr. Speaker. The other thing was mentioned in—

Mr. Cassidy: Just a point—

Mr. Kennedy: —about the fourth paragraph here. You mention a dispute over rent. Say there is a dispute over rent. This would be all right where there is a very small building with perhaps a few units, but some in my area—and in my area more than half the people live in rental accommodation—

Mr. Cassidy: That is why the member should support the bill.

Mr. Kennedy: —there are huge apartment buildings of 350 units.

Mr. Renwick: No wonder he doesn't really believe in it, but he needs support.

Mr. Kennedy: And you have there a rent structure where, I presume, there are three or four categories of apartment and therefore three or four categories of rent. How can one person get into a dispute with the landlord? It has got to be sort of communal effort to suppress them.

Mr. Cassidy: They have the security to do that under this bill.

Mr. Kennedy: As through, tenants' associations perhaps. I am not opposed to this.

Mr. Cassidy: They would have the security to do that under the bill.

Mr. Kennedy: Well, they have the clout by themselves. Another thing I am very much in sympathy with the tenant on is this. I believe that tenants particularly those of modest means, get locked into their apartment unit because it is an expense to go out and locate another apartment if they are finding the rent unduly burdensome, or for any other reason. It is a fair effort to do this. I am of the opinion that landlords are not unaware of this, and if they come in with insufficient, or no greater notice than is required, and just tell the tenant, "Sorry, your rent is going up to such and such a figure next month," the tenants in many cases are being treated unfairly. They throw up their hands and accept this, and I believe that landlords trade on this. I have heard this type of discussion and it is—

Mr. Deans: What does the member suggest we should do about it?

Mr. Kennedy: Turf 'em out.

Mr. Cassidy: The landlords?

Mr. Kennedy: Yes. I have no sympathy whatever for a landlord who does that.

Mr. Deans: How does he propose we do that? How does he propose we turf them out of their own building?

Mr. Kennedy: I will tell the member what I think. He mentioned rents going up from $130 to $240. I know an instance of a widow whose rent has gone from $115 to $155 over 10 years. I don't think over 10 years that is an undue increase. I think that is fairly modest. And there are quite a lot of cases like this. But then I hear the horror stories from the other side and I have documentation here which I won't take the trouble to read—

Mr. Deans: It is not trouble.

Mr. Kennedy: —on rent in relation to income. There is an article here in the Financial Post. Here is one in the Star. You can find statistics that go either way all over the place, Mr. Speaker. I really don't know who is right, where there are areas of gouging, how significant they are.

Mr. Renwick: What about the member's riding?

Mr. Kennedy: —but to stand up and say that all landlords are rascals and buccaneers—

Mr. Deans: Who said that? The member is the only member to do so. I specifically said that they weren't.

Mr. Kennedy: This is the general impression that is loose.

Mr. Renwick: Does the member have any examples of exorbitant rent increases in his riding?

Mr. Kennedy: Yes, I have some.

Mr. Renwick: I want that to be clear.

Mr. Kennedy: From $200 to $250, I am told, on very short notice—

Mr. Cassidy: That is the situation this will curb.

Mr. Kennedy: —and I have no sympathy with that either. And this is one thing—

Mr. Cassidy: This bill wouldn't harm the legitimate landlord. He would continue to deal with tenants as formerly.

Mr. Kennedy: This is right. There is another thing. It is so very simple to find out what the return on investment is with apartments. I am a former appraiser—and will perhaps be doing it again some time. When you are calculating an estimate of value for an apartment, you use the income technique. You get all the cost factors that go into the thing—the operating costs and so on; interest on investment, the whole bit; vacancy rate, which is way down now; and then, of course, the yield.

Mr. Speaker: The time is 6 o'clock.

Mr. Kennedy: Then you capitalize this into value. I see no problem, or very little problem, in determining just what these profits are. I would like to see some organization like the Comay task force or some such body inquire into this and see just what is going on, because one cannot tell from the litera-

ture we read and from listening to emotional people or emotional authors or writers in news articles.

Mr. Speaker, I haven't time to say more.

Hon. Mr. Winkler: Mr. Speaker, I wonder if I could have permission to revert to motions?

Mr. Speaker: Is that agreed by the House?

Agreed.

Hon. Mr. Winkler moves that Mr. Deans be substituted for Mr. Renwick on the standing private bills committee for the consideration of Bill Pr 20, An Act respecting the City of Toronto.

Mr. Speaker: Shall the motion carry?

Mr. Deans: With considerable reluctance.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, perhaps if the House leader made the addition that the substitution be reversed after the completion of that bill alone, then it would save him having to return later on.

Hon. Mr. Winkler: I think the motion is quite clear and specifies the bill.

Mr. Speaker: Shall the motion carry?

Motion agreed to.

Clerk of the House: The first order, resuming the adjourned debate on the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government.

It being 6 o'clock, p.m., the House took recess.

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No. 48



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

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Monday, May 13, 1974

Evening Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

The House resumed at 8 o'clock, p.m.

Mr. Speaker: I recognize the member for Peel South.

Mr. R. D. Kennedy (Peel South): Mr. Speaker, before debate continues, I would like to introduce to the members of the House the First Clarkson Scout Troop Adventurers and their leaders, Mr. Gordon, Mr. Russell and Mr. Amos. I'm sure the members join me in welcoming this group to the House here this evening.

Mr. Speaker: The member for Scarborough Centre.

Mr. L. A. Braithwaite (Etobicoke): I'm sorry, one moment, please. If I may, before the House commences regular business, I would like to present to the House a group of 25 people including 19 Cubs from Humbervale United Church on Royal York Rd. and the pearl of the constituencies, Etobicoke. They are members of the 320th Humber West Cub Pack. They are here to help earn their citizenship badges. I'm sure the rest of the members of the House join me in welcoming these young people and their guides under Mr. M. McLellan.

BUDGET DEBATE
(continued)

Mr. Speaker: The member for Scarborough Centre.

Mr. F. Drea (Scarborough Centre): Mr. Speaker before resuming the debate, may I present to you—in the west gallery—the members of the Scarborough Centre Progressive Conservative Association which is the finest political organization in the province.

Mr. Speaker, when I adjourned the debate this afternoon for the private members, hour I was almost through with the presentation I was making on the need for gun control in the province. I would just like to devote a minute to the conclusion.

Mr. Speaker, as I pointed out this afternoon, unless the province enters into meaningful control of firearms—particularly those in our jurisdiction, shotguns and rifles—the federal government is going to be handcuffed in any of its attempts under the Criminal Code to deal with pistols and concealed weapons.

Mr. Speaker, I suggest to you that any delay in moving toward a confrontation with this issue only widens the avenues that inevitably will lead us down the path that has afflicted our friends to the south.

Mr. Speaker, the fact that the United States, despite its terrible turmoil, has not been able to achieve such legislation should be meaningless to us. I suggest to you that Ontario has always, since Confederation, been in the forefront of not only moral but ethical reform in this country. Mr. Speaker, I also suggest to you that the time has come for this province to set the pace for all of North America. It may very well be that the only way that reform will ever be achieved on guns in the United States is because they have an example of an industrialized, populated, and sophisticated type of province which has indeed been able to achieve it. And achieve it despite split jurisdiction; despite the inherent difficulties caused by the need for communication, and despite the fact that the very arms manufacturers who supply the American market are the suppliers of ours.

I suggest to you that the time has come when we can no longer lament what is going on in the United States, but instead must do something, not only to make certain that it will not happen here, but hopefully to do something for our friends there. Let us give them the moral stimulus to help them overcome the tremendous lobbies that exist there.

Mr. Speaker, turning to the budget, and with due concern for my friend the member for Essex-Kent (Mr. Ruston), the Ontario budget, I suggest to you, Mr. Speaker, that if my friend, the provinicial Treasurer (Mr. White) had been the Finance Minister in Ottawa last week and had presented the Ontario budget as a federal document, there would not be an election. That is the difference between this government and the shabby remnants of what once was a very strong government in Ottawa.

I suggest to you, Mr. Speaker, that in this Ontario budget we have done more than achieve a kind of economic balance in this province. Regardless of the tremendous things that are contained in this budget and regardless of the tremendous obstacles—most of them put in our path by Ottawa—that the provincial Treasurer had to overcome he has produced a rather historic budget. I suggest to you that just as it was in the first part of this century—

Mr. M. Gaunt (Huron-Bruce): Really, is the member setting up a straw man?

Mr. Drea: —when there was a fundamental change in the economic approach to government, and that was the introduction of Keynesian economics, for the first time since the introduction of Keynesian economics, the Ontario government assumed by its own policy the economic control and the economic stimulus over society.

In this budget, the provincial Treasurer has made economic history. For the first time in the history of Canada, he has not only met the pressures of the day but he has made the social policy of this government part and parcel of the budget. He has transformed the budget from a mere economic weapon into a weapon that will achieve many of the social reforms that are the hallmarks of this party.

I suggest to you, Mr. Speaker, that he has also changed the motto of this province. For many years the motto of this province has been that we are the province of opportunity. But, Mr. Speaker, the ability of this government to use economic policy to foster social development and social equality across this province only underlines what is coming to be the real meaning of life in Ontario—and that is two words, "fair share."

Mr. J. A. Renwick (Riverdale): The hon. member is confusing economic policies with tax legislation. They're not economic policies.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Everybody's not opposed to them either, don't forget.

Mr. Drea: The hon. member for Riverdale is the only person I know who's opposed to our tax policies.

Mr. Renwick: Let's be realistic tonight.

Mr. Drea: Oh, I'm very realistic. I'm very realistic.

Mr. Renwick: After all, it's cold out.

Hon. Mr. Winkler: Get after that man, Mr. Speaker.

Mr. Drea: Is the hon. member having troubles?

Mr. Renwick: I just want the hon. member to come in out of the cold.

Mr. Drea: I'm in out of the cold. I wonder what the hon. member is in out of.

Mr. Speaker, a government cannot exist by economic means alone. If we were to remain the province of opportunity, and considered that to be the main thrust of our policies, then I suggest to you, Mr. Speaker, we would be a rather heartless government. Because we would be failing to recognize that there are many people, because of conditions or circumstances far beyond their control, many of them by an accident of birth, who are unable to share fully in that opportunity.

That is why I suggest to you, Mr. Speaker, that the very basis of this budget is the fair share. That is what we have done. And that is why I say that had my friend the Treasurer been the Finance Minister of Canada last week there would have been no want of confidence; there would have been no vote of confidence, there would have been no dissolution of government.

Since we heard so much about the federal budget today, how it was so important and how so many things have been neglected, let's take a look at the Ontario budget, because every single piece of it is going to be passed into legislation or become reality during this session of the Legislature.

Mr. Renwick: Until it is declared unconstitutional by the court in one of its decisions.

Mr. Drea: And the hon. member would be the lawyer who took it there.

Mr. Renwick: Right.

Mr. Drea: For many years there have been complaints by parents that the size of children's shoes, because children are bigger these days, imposed an unfair burden upon them in terms of the sales tax; while they still technically enjoyed a retail sales tax exemption, when it came to buying shoes, they were having to pay the full tax.

Mr. Renwick: The government has finally recognized that everybody in the province wears shoes.

Mr. Drea: Mr. Speaker, this government listens to people. As a matter of fact, since

I have been elected I have received over 100 letters complaining about the sales tax on shoes.

Mr. F. Young (Yorkview): We were complaining years ago.

Mr. Drea: It is very interesting, halfway through our term, that every Conservative member can now send out letters saying: "This government listens to you; the tax is off." That is another indication of how we do business.

An hon. member: Sit down!

Mr. Young: Why didn't they listen when they put the tax on?

Mr. Drea: We have removed more items from sales tax and granted more exemptions than any other jurisdiction that has sales tax.

Mr. Renwick: The government imposed the tax!

Mr. Young: Who put the tax on?

Mr. Renwick: The government imposed the tax—and it raised the rate. That's why it's at seven per cent. That's—

Mr. Speaker: Order. Order, please.

Mr. Drea: Do you want us to take the seven per cent off and let the municipalities pay their own way? Stand up on a platform and say that. Go ahead.

Mr. Renwick: That's totally ridiculous.

Mr. Drea: Oh, everything is totally ridiculous to the hon. member.

Mr. Renwick: The government imposes the tax and then it takes part of it off.

Mr. Drea: Everything is totally ridiculous to the hon. member. That's why his party has 19 seats.

Interjection by an hon. member.

Hon. Mr. Winkler: Every cent goes to the municipalities. Every cent.

Mr. Drea: We have removed the sales tax from the items that people felt were not luxuries—

Mr. Renwick: The Tory party discovered soap in this budget.

Mr. Drea: I could think of a use for soap, but I won't. We have removed the sales tax from more items and granted more exemptions than any other jurisdiction in North America which has a sales tax.

Mr. Renwick: Prove it.

Mr. Young: Maybe the others don't put it on so many things.

Mr. Drea: Mr. Speaker, I am not enamoured of sales taxes. If the federal government would share the revenues it generates from this province on a more equitable basis, then we wouldn't need a sales tax. But unfortunately that has not been the case for several years. It may very well be the case after July 8.

Mr. Renwick: This government has even forgotten to levy the tax.

Mr. Drea: And it should be a rather significant change for us to get our fair share from Ottawa.

Mr. E. R. Good (Waterloo North): This government will still use the sales tax as its biggest source of revenue in Ontario.

Hon. Mr. Winkler: And it all goes back to the municipalities. If the hon. member doesn't know that, then he hasn't learned anything.

Mr. Renwick: It does not go back to the municipalities, and the House leader knows it.

Mr. Drea: Does the hon. member want us to take the sales tax off? We'll take it off, and let the property owners pay the tax they'd be paying.

Mr. Speaker: Order please. Everyone has an opportunity to debate in his turn.

Interjections by hon. members.

Mr. Renwick: If it's a regressive tax, the Tory party levies it.

Mr. Speaker: Order please. The member for Scarborough Centre has the floor.

Mr. Drea: And if it's a sweetheart deal, you're the people who are the d-e-a-l.

Mr. Young: He is provoking us.

Mr. E. Sargent (Grey-Bruce): It is the same speech the member gave last year; all the same.

Mr. Drea: Oh, no.

Mr. E. W. Martel (Sudbury East): The member wasn't here then.

Mr. Drea: The member himself hasn't been here in a while. I want him to give me a line, I am waiting for it.

Mr. Sargent: Take your hands out of your pockets.

Mr. Drea: That's his usual one.

Mr. Speaker, despite the increased costs, despite the inflation in construction, despite the necessary inflation in employees' wages, despite increased costs everywhere along the line, we have frozen the transit rates in Ontario. I think we would have been justified had we said that everything else is going up, surely we should have to pay a little more for your transit. Mr. Speaker, I think that once again this underlines the social policies of this government. We are trying to make public transit as attractive as possible as an alternative to the automobile so that cities, large and small, will not see their downtown core areas demolished for parking lots. We have frozen the transit rates.

I suggest that since the Premier of this province (Mr. Davis) was the American Transit Association man-of-the-year last year, they are going to have to bring somebody else from Ontario to their convention this year; because nowhere else on this continent does that kind of thing happen, nowhere else is there a meaningful attempt by government to make transit as attractive, both economically and in other ways, as the private automobile.

Mr. Speaker, it has always been a concern of mine, as the budgets are unveiled, that we are punishing thrift and we are punishing the homeowner. Last year, because of the budget of the Ontario Treasurer, the people in the borough of Scarborough had the largest tax cut in their history. This year there was some trepidation, because costs are up everywhere. But instead of increased taxes in the area of $150 or $200 a household, which, would have resulted in eviction of many elderly people on fixed incomes who are unable to meet a sudden increase like that, tax increases have been held to an absolute minimum. Once again the province has poured $124 million into the municipalities.

When we are asked what a Conservative government has done to roll back any type of high prices, what it has done to roll back the cost of inflation, I suggest to you in Ontario that because of our budgetary policies, we have rolled back the most important price for the largest segment of this province, and that is the homeowner. At the end of this year, despite inflation—

Mr. Renwick: What about the prices right now?

Mr. Drea: —despite your money going down by 10, 11 and 12 per cent every year, despite the high mortage rates—

Mr. Renwick: What about the price right now, not at the end of the year?

Mr. Drea: —Ontario homeowners are going to be paying less taxes on their property than in 1972.

Mr. Speaker, I defy any other jurisdiction to point out that kind of a price rollback, achieved without a windfall profit.

Mr. Renwick: That is because the government is revaluing the properties, it has nothing to do with the existence of tax.

Mr. Drea: There are two places in the west that have come into some windfall profits and they are spending it. There have been no windfalls for the Treasurer of this province.

Mr. Renwick: Talk about dollars. More dollars will be paid by more property owners in Ontario for municipal taxes and the member knows it.

Mr. Speaker: Order please.

Mr. Drea: And that is quite an accomplishment, that we have rolled back the cost of municipal services—

Mr. Renwick: This government has not rolled it back because they will in fact pay more taxes.

Mr. Drea: —particularly for the older people.

Hon. Mr. Winkler: The hon. member for Scarborough Centre is getting to him; he is getting to him now.

Mr. Renwick: They are paying more taxes.

Mr. Speaker: Order please.

Mr. Renwick: Next year—

Mr. Speaker: Order, please. The member for Riverdale does not have the floor.

Mr. Renwick: Let's not talk about percentages, let's talk about actual dollars in taxation.

Mr. Speaker: Order please.

Mr. Drea: If the hon. member would listen to me instead of going into his diatribes.

Mr. Renwick: Actual dollars are what we want to compare.

Mr. Drea: We cut the taxes in Scarborough by the largest amount in history last year. They are being raised very minimally this year. That means that homeowners are going to pay less taxes than they did two years ago.

Mr. Renwick: Next year they will be raised again and the member knows it.

Mr. Drea: The member doesn't know what we are going to do next year. The way the Treasurer of this province operates we may again get the biggest single tax cut that we've ever had.

Mr. Renwick: We will not get a tax cut next year, mark my words; because the government has raised the tax this year and the member knows it.

Mr. Drea: I marked the member's words last year and he said the sales tax was going up in 1974.

Mr. J. E. Bullbrook (Sarnia): This is like "Alice in Wonderland."

Mr. Renwick: This is Wonderland and that is Alice.

Mr. Sargent: No wonder he has nobody to talk to.

Mr. Drea: I think if the members are going to heckle they might at least be in their seats. That would be the first order they ever obeyed in here.

Mr. Speaker, for many years in this country there has been a debate over whether a guaranteed annual income was appropriate not just in terms of economics but in terms of the social milieu of the country. I think, quite frankly, that philosophically the objections or the concerns about a form of guaranteed annual income have far outweighed the economic pros and cons.

In this province we have taken the first step toward a guaranteed annual income in this budget. For those over 65 there will be the GAINS programme. Included in this programme along with those over 65 years of age will be the disabled, the blind and so forth. Mr. Speaker, 311,000 low income people now have a guaranteed annual income. In addition to that they will receive free drugs as of July 1.

For the last year we have heard what a great spender, a great philanthropist was a fellow by the name of Dave Barrett. For months on end we have been told if BC can give $200 and guarantee it to everybody, why can't Ontario? In this budget we have made Dave Barrett out to be a piker and he's got more disposable money in his coffers than we will ever have.

Mr. Sargent: He doesn't owe $7 billion though. He's debt free and this government is broke.

Mr. Renwick: It's sitting on the wealthiest province in Canada and knows it and it is still a piker.

Mr. Speaker: Order, please.

Mr. Sargent: Tories always have been pikers.

Mr. Drea: We're pikers? The opposition told is to give $200 and we've gone to $216 plus free drugs. That is hardly the earmark of a piker.

Mr. Sargent: Read the financial paper.

Mr. Renwick: We cannot compare the wealth of this province to the wealth of British Columbia, and the member knows it, either in resources, secondary industry or primary industry.

Mr. Drea: If I had said that to the member and he was championing the cause of Dave Barrett, he would have laughed me out of here.

Mr. Renwick: We cannot compare the wealth of this province to British Columbia.

Mr. Speaker: Order please; order.

Mr. Drea: Those members are the people who introduced the Barrett argument into this House. Now because it is going the other way they don't even want to hear about it.

Mr. Renwick: The Province of Ontario is the wealthiest province in Canada and has the lowest pay-out for social services of any province.

Mr. Speaker: Order, please.

Interjections by hon. members.

Mr. Speaker: Order, please. The member for Riverdale does not have the floor. Order.

Mr. G. W. Walker (London North): We won't allow him to disown Barrett.

Mr. Drea: Has he defended him enough, or what is left of him?

Mr. Renwick: I wasn't defending Barrett. Barrett can take care of himself.

Mr. Drea: Mr. Speaker, we haven't thought only about those 311,000 people who are not sharing the monumental prosperity which the Prime Minister of this country seems to think is in every household, we haven't limited our concerns just to them. For next year, we have doubled the property tax rebate. We have not only doubled the basic amount from $90 to $180, we have doubled the offset—

Mr. Sargent: Election year!

Mr. Drea: —from one per cent to two per cent. It means that more people, both tenants and owners, will be receiving a larger rebate than ever before. I suggest it takes a Treasurer of considerable economic acumen to produce a budget which can reach throughout the fabric of society—not just to the low income people; not just to the disadvantaged; not just to the disabled; not just to the handicapped. I think those things are tremendous; but it also assures the majority of this province, the middle class people who have built this province, who have developed it and who have made it into the finest place to live, that they are not forgotten.

Mr. Sargent: But they can't buy a house.

Mr. Drea: That, I suggest, puts added meaning into the words "fair share."

We haven't forgotten small business; there are not only tax credits, there are the new venture investments. We haven't forgotten the widow who has been hit by inflation; we have taken the measure of inflation and duty so that she will not be disadvantaged just because Ottawa cannot keep control of the money supply or the economic situation in the country.

I am glad the member for Riverdale raised the question about the accuracy of our figures concerning municipal taxes. In 1968, Mr. Speaker, the net tax on a home was $302 or 3.7 per cent of household income. Last year — and this doesn't include anything we are doing in this budget—that net tax was down to $298 or 2.8 per cent of household income.

Mr. Renwick: The hon. member will need supporting evidence for those statements, and he knows it.

Mr. Drea: Where else in the world has the senior government been so efficient that it has been able to channel sufficient funds to the junior government so that the property owner does not have to go into the poorhouse keeping up with the cost of paying for municipal services? I suggest to you nowhere, Mr. Speaker.

Despite all of this, Mr. Speaker, we only raised our own costs by about 14.2 per cent. Last week in Ottawa, if they had kept their increase to 14.2 per cent, there wouldn't be an election. But instead they came out with a cheap, cheaper, cheapest kind of budget.

And despite the fact that neither the member for Riverdale nor any other member of his party and I agree, I would say to you, Mr. Speaker, that he knows and so does his federal party that if what was posing as the federal Finance Minister had the economic acumen of our provincial Treasurer, the social vision of our provincial Treasurer, and the plain common sense of a good solid Conservative government, it too could have produced a budget that would have done for all of Canada what we want done for the Province of Ontario this year.

Mr. Sargent: We're a half a billion dollars in debt!

Mr. Drea: And we don't have to go to a bank!

Mr. Sargent: They don't, eh?

Mr. Drea: But the federal government has to go to a bank. We are paying off the bonds.

Mr. Sargent: We are paying $3 million a day in interest on our debt.

An hon. member: It shows how much the member for Scarborough Centre knows.

Mr. Drea: That is why we are going to retire over $400 million worth of bonds.

Mr. Sargent: And Stanfield is going to impose controls now; price controls and wage controls.

Mr. Drea: I am waiting for the member's leader to take his seat. It is no fun without him.

Mr. R. F. Nixon (Leader of the Opposition): Go ahead, get funny.

Mr. Drea: Mr. Speaker, it was mentioned in the House this afternoon that it was very bad politics for Mr. Stanfield to become involved with the Davis government. The question was raised about the integrity of certain people on this side of the House. I only want to deal with one of those people.

Mr. Speaker, the member for York Mills (Mr. Bales) sits next to me, on my left. He has had a long and distinguished career in this government. He has not only served the people of York Mills extremely well, he has served the people of this province to the best of his abilities—and those abilities were considerable.

Mr. Sargent: That's the way they treat him, eh? They kick him out.

Mr. Drea: I just want to say one thing about the member for York Mills, who sits on my left. When it comes to personal integrity, I would stake everything I have and I would bet every cent I have on the integrity, on the personal conduct and upon the character of a man whom I will always call, regardless of the office he holds, the Honourable Dalton Bales.

I don't think there is a time or place in this House for us to get into making a value judgement across the floor, on the basis of an election, as to what the integrity of a man is. I may not always agree with his judgement and I may not always agree with his views; but I want to underscore it, and I am sure every member of this party will do so as well, that when it comes to personal integrity, the hon. member for York Mills is in the forefront. As I say, he will always be known as the Honourable Dalton Bales and that not just as a symbol of his office.

Interjections by hon. members.

Mr. Drea: Mr. Speaker, I have complimented the Treasurer of this province on an outstanding and a historic budget. That budget would not have been possible were it not for the policies that have been enacted and followed by this government since we were elected in October, 1971.

This budget would not have been possible if it were not for the fact that the Minister of Education (Mr. Wells) used restraint and made sure that the spending on education was brought into line. This budget would not have been possible without that.

This budget would not have been possible without the work of the former Minister of Health; because when we came into office they told us that OHIP and the cost of health were going out of sight and would bankrupt us. I suggest to the hon. members that the work the hon. member for Quinte (Mr. Potter) did in the Ministry of Health is another reason the Treasurer could produce a budget as meaningful, as fair and as just as the one he did.

Mr. P. D. Lawlor (Lakeshore): Unbelievable!

Mr. Drea: I suggest to the hon. member too—and I am glad the Minister of Government Services (Mr. Snow) is here tonight—

Mr. Lawlor: Is the hon. member still a Progressive Conservative?

Mr. Drea: —were it not for the efficiency of the Ministry of Government Services and the cost controls they have put in, this budget would not have been possible.

Mr. R. F. Nixon: Is the member preaching for a call?

Mr. Lawlor: Is the hon. member preaching to convert or subvert the Establishment?

Mr. R. F. Nixon: The Treasurer is enjoying everything the hon. member is saying and so is the former Minister of Health.

Mr. Drea: Now that the hon. members have interrupted me, I have to say a couple of words about Ward Cornell. That's the way to really get them.

Mr. R. F. Nixon: I am very protocol about Ward Cornell. The hon. member is right. Does he mean the chap who was the Treasurer's campaign manager?

Mr. Drea: Yes, I will tell the hon. members about Ward Cornell. Mr. Speaker, if I may just divert for a moment—

Mr. Renwick: We cannot tell whether the hon. member is diverting or not.

Mr. Drea: One of the problems with being a Conservative is we are open to free ideas. We don't throw people out for having an idea, and I can understand why the hon. members find great difficulty in following me.

Mr. R. F. Nixon: What did the member do to the member for York Mills then?

Mr. Drea: Mr. Speaker, I want to say a word about Ward Cornell.

Mr. Lawlor: The government has so few ideas that it doesn't have an opportunity to throw many ideas out.

Mr. R. F. Nixon: It must be lonely over there.

Mr. Lawlor: I haven't noticed much originality.

Mr. Drea: I haven't heard a new idea from the hon. member for Lakeshore in all the time I have been here. That's the greatest disenchantment I have ever had.

Mr. Lawlor: The reason I came here tonight is to be put to sleep. I felt tired and I came in to listen to the hon. member for Scarborough Centre.

Mr. Drea: Mr. Speaker, may I return for a moment to Ward Cornell because I think it is of some significance?

I met a lady who had emigrated to this country, Mr. Speaker. She was in dreadful difficulty because of the arbitrary action of a British steamship company. When she and her husband were emigrating here, they arranged for their furniture to come behind them because, unfortunately, they were arriving in Toronto when the Seaway was still frozen. They waited and they waited for that furniture to arrive.

Finally, after seven months, somebody found it down in a warehouse and said: "Oh yes, madam, you can have your furniture; but you will have to pay us $540 storage charges." For these people, being very ordinary people who had emigrated to this country with a family, that was a rather exorbitant bill.

The difficulty was that the English steamship company had sent that furniture without a bill of lading. The mistake was made in England. There was nothing our Highway Transport Board could do. There was nothing the Toronto harbour commissioners could do. In fact, there was nothing the federal government could do.

I like to save money, I like to go to the people who are paid to do these things. But they said there was nothing they could do, that it was too bad. They hoped the people had the $540. Frankly, the federal government's advice was to get it out of storage right away, to pay the $540 before it became $640 or $740.

Mr. Speaker, those are people without furniture. They didn't make an awful lot of money. They came to me and I went through the Highway Transport Board, I went through the harbour commissioners and I went through the federal government. That was last winter, and that was the time when England was on a three-day week, the lights were turned out and it was a very difficult time over there.

Mr. Speaker, I addressed a letter—because I'm thrifty, 13 cents by air mail—to my good friend Ward Cornell. I told Ward about the problem and I told him the address of the—

Mr. H. Worton (Wellington South): The member should have phoned.

Mr. Drea: I am always respectful of the taxpayer's money. For 13 cents it would get there just as fast.

I am very proud to say that within 18 hours there was a cable in Canada to the Canadian agent for that shipping company and the $540 charge had been withdrawn. Part of the cable was an apology to the woman that she had been put to this inconvenience and strain.

Mr. Speaker, I suggest to you that is why we need Ward Cornell in London and not a striped-pants diplomat, because when you want action you get it from Ward Cornell.

Mr. G. Nixon (Dovercourt): Right on.

Mr. Drea: If I'd tried that two years ago I'd still be waiting and so would the woman with the furniture.

Mr. R. F. Nixon: Yes, but who is going to run the Treasurer's next campaign?

Hon. Mr. Winkler: He doesn't need anybody.

Mr. R. F. Nixon: That's right, he is not running again.

Mr. Drea: One more budget like this and it will be an acclamation.

Mr. R. F. Nixon: One more budget like this and the province will be broke. This is the biggest deficit in our history.

Mr. Drea: Oh now, the last of the big time spenders saying we're going broke.

Interjection by an hon. member.

Mr. Drea: The only way this province will ever go broke is to elect the Leader of the Opposition as Premier, and I wish I didn't have to say that.

Mr. R. F. Nixon: Did the Treasurer have these fellows out for dinner? How did he get them so enthused?

Mr. Lawlor: They are really going for broke there.

Interjections by hon. members.

Mr. Drea: No, the reason we are enthused is that we are celebrating a divorce. It is the first time the Liberals and the NDP aren't in together. That must be a great relief to both of them.

Mr. Lawlor: One can't calm him down when he has a gallery.

Mr. R. F. Nixon: I know why he is here tonight, his buddies must be in the gallery. That's the stuff.

Mr. Drea: Doesn't the member wish he had an organization like that?

Mr. Lawlor: I sat here for an hour and it was just boring. The member is much better tonight. Keep going. It is a new quality; some people need audiences to keep themselves going.

Mr. Drea: No, when the member for Lakeshore suggests that I keep going he has some type of devious plot afoot and I think I'll get out before it is hatched.

Mr. Speaker I've given credit to the Minister of Education for his policy of restraints despite great personal abuse. I have given credit to the Minister of Government Services, a ministry that is seldom recognized for the efficiency and the cost cutting it has brought the government; to the Minister of Health—

Mr. R. F. Nixon: Why not congratulate the Chairman of the Management Board? He is the only minister here.

Hon. Mr. Winkler: He did that before the member came in.

Mr. Drea: If the member was ever here he would realize I spent most of this afternoon complimenting him.

Mr. R. F. Nixon: I am here to listen to the member, unfortunately.

Mr. Drea: I really think the member likes to listen to me. It must be better than that debacle he had up in Sudbury where they gave him half an hour out of three days and told him he had to bow down because the federal party was in trouble. I don't ask him to do that.

Mr. R. F. Nixon: No, the Premier is getting us out of trouble.

Mr. Drea: I even understand why the member wants to be politically neutral in the election campaign. Isn't he going to be?

Mr. R. F. Nixon: Of course not.

Mr. Drea: He is going to go out and campaign for Trudeau?

Mr. R. F. Nixon: Darn right.

Mr. Drea: He is? Great. Great.

Mr. J. R. Breithaupt (Kitchener): And so are we all.

Mr. Drea: Great. I understood he was going to be neutral.

Mr. R. F Nixon: I don't know where the member would ever get that from.

Mr. Drea: Well he was suggesting to us to be neutral.

An hon. member: It just seems that way.

Mr. R. F. Nixon: He must have been reading Action Line.

Mr. Drea: No, that is not mine any more.

Mr. Lawlor: Surely the member is not going to speak on behalf of Stanfield? He is not in the same league as the member.

Mr. Breithaupt: He is better 430 ways.

Mr. Drea: Mr. Speaker, when it comes to comparing Frank Drea and Robert Stanfield there isn't any comparison. On the best day I ever had I couldn't tie his shoes. That's how much I think of our federal leader.

Mr. Lawlor. The member may stand up in his longjohns but he can't tie his shoes.

Mr. R. F. Nixon: Tell the Premier to leave him alone. He is just getting him into trouble.

Mr. Drea: That's what the member was suggesting this afternoon.

Mr. Lawlor: Such humility. It is almost grovelling.

An hon. member: He is right.

Mr. Drea: Well isn't the member for Essex-Kent a liberal?

An hon. member: Yes.

Mr. Drea: They haven't thrown him out.

Mr. R. F. Nixon: Yes, we're proud of him; very good speech.

Mr. Breithaupt: He made sense.

Mr. Drea: Good. Terrific.

Mr. Lawlor: How about getting on with this speech? The member spent a long time working on it.

Mr. Drea: I'm trying to, if I wouldn't be interrupted.

Mr. Lawlor: We want to hear it.

Mr. Drea: Want to what?

Mr. Lawlor: I said the member has worked at it hard, we want to hear it.

Mr. Drea: Oh, I haven't worked at all.

Mr. Lawlor: No?

Mr. Drea: No. Look, I was going to stop about five minutes ago, but I'll tell the member this, every time he opens his mouth I'm going to go another minute. We may be here a long time.

Mr. Lawlor: I find the member one of the better Conservative speakers so I can put up with him for a little while longer.

Mr. Drea: The member for Lakeshore has only another year to put up with me, because he'll be unemployed after 1975.

Mr. Lawlor: I was here before the member came and I will be here after he leaves.

Mr. Drea: I don't think I'd put money on that one.

Mr. R. F. Nixon: The member for Scarborough Centre is only an overnight guest.

Mr. Lawlor: Nice talk about humility; now we have to listen to typical Tory arrogance. The member should get on with his speech. The sooner he makes it, the sooner it is over —thank heaven.

Mr. R. F. Nixon: Don't step back.

Mr. Drea: One of the things that always endear the New Democrats to me is their refusal to accept the concept of reality.

Mr. Lawlor: Reality? That is a term to conjure with.

Mr. Drea: Now that the divorce is permanent the finality may be permanent as well. I don't think I would bet against the proposition that I advanced.

Mr. Speaker, to wind up my portion of the reply to the budget: The budget would not have been possible without the day-to-day policies of this government. Mr. Speaker, we are not a government that reacts to crisis. We are a government that tries to anticipate problems, that tries to look ahead so there will be in the future, as there has been in the past, an orderly, a stable growth in this province as well as the opportunity for all of its citizens to develop themselves to the utmost of their talents. That is their choice. But with this budget we have gone much further than any other jurisdiction in Canada, whether it is federal or provincial—

Mr. R. F. Nixon: Biggest deficit in Canada.

Mr. Drea: —and that is that we have made the budget not merely an economic weapon, but we have put it in the forefront of achieving the social goals of this province. Whatever we achieve in the field of social reform or social equality is now an integral part of the economic and other growths in Ontario.

Mr. Lawlor: Malignant or otherwise?

Mr. Drea: The only malignancy around here is—

Mr. Lawlor: Sometimes I think the member is from Belfast the way he acts.

Mr. Drea: Well, a couple of generations ago not far from there.

Mr. Renwick: My friend from Dublin was right as usual.

Mr. Drea: You see, one of the difficulties is, you can—well, I won't say it.

Interjections by hon. members.

Mr. Drea: There is only one thing about this budget that really concerns me and that is the opposition's overriding concern on behalf of the land speculators. I thought the land speculation tax would be the easiest thing that ever went through here. It really perplexes me that people who have shouted and screamed and foamed and roared and begged and cajoled and whined—you see, I can use the same words as the member for Lakeshore—the people who have done that for so long are now standing up and saying "it's confiscatory—terrible, you have to think about the rights of the speculator." Oh, how we have changed. Why have we changed?

Mr. Renwick: The member hasn't heard the debate. He hasn't understood the—

Mr. Drea: The reason they have changed is—

Mr. Renwick: Why doesn't the member come back on Thursday?

Mr. Drea: —there isn't a single thing in this budget the opposition can criticize; there isn't a single thing in here that they haven't been claiming and shouting to the rooftops that we would never do. Well, we have not only done it, we have done it all at once. It must really be galling to the self-styled social reformers that the first government in the world to deal with the question of land speculation is the Conservative government of Ontario.

Mr. Lawlor: Come on—not the first government; that is ridiculous.

Mr. Drea: That is why I am glad to be a member of this government. That is why we have been the government of this province for over 30 years. And, Mr. Speaker, that is why the people of Ontario have more than abundant confidence in our ability to meet the challenges ahead. I suggest that is the difference between us—

Mr. Lawlor: Venezuela had it 45 years ago.

Mr. Drea: —and the remnants of what was once a proud party in Ottawa. Mackenzie King must be looking down at you now and saying: "What did I do?"

Interjections by hon. members.

Mr. Drea: I need one more line; I have got something for the member for Sarnia.

Mr. Bullbrook: I will give the member for Scarborough Centre two minutes to reply to that.

Mr. Drea: No, one line. Mr. Speaker, last year in his reply to the Speech from the Throne—and I can't resist this, I like to tantalize the fine legal mind from Sarnia—last year in his reply to the Speech from the Throne, the member for Sarnia pointed out that this party had no interest in organized labour and we never mentioned it in our Throne Speech. I think he said it again at the Liberal rally last month in Sudbury.

Mr. Bullbrook: Yes, that is right.

Mr. Drea: Mr. Speaker, on opening night at the Liberal rally, I noticed there was quite—

An hon. member: That was the federal Liberal rally.

Mr. J. R. Smith (Hamilton Mountain): Federal.

Mr. Drea: Yes, that's the one when the provincial people had to take a very short time because it was so important to save Trudeau.

Interjection by an hon. member.

Mr. Drea: Yes? Were they?

Mr. Breithaupt: The member will find the time is equally balanced if he will only look at it.

Mr. Drea: I wonder if they had to pay their own way?

Hon. Mr. Winkler: No, they all flew up.

Mr. Drea: They all flew up. Government of Canada plane?

Hon. Mr. Winkler: Sure.

Mr. Drea: I thought so. Taxpayers again.

Mr. Bullbrook: The member has more nerve than Errol Flynn ever had.

An hon. member: Hits all the way.

Mr. Drea: Mr. Speaker, the thing was raised—

Mr. R. F. Nixon: They just like to fly.

Mr. Bullbrook: Is that a Masonic apron there?

Mr. Drea: Mr. Speaker, the point was raised that in the Throne Speech there was no mention of labour—just a minute; the members want to hear this. At the opening of the Liberal rally in Sudbury, there was a great protest from the delegates. For two days—was it three days?—federal cabinet ministers were jetting in and jetting out and somebody said: "Aren't we going to do anything about labour?" One of those federal fellows said: "Gee, I guess we neglected it; we'll do it next year."

Mr. Speaker, I couldn't resist bringing that to the attention of the member for Sarnia.

An hon. member: He's left.

Mr. R. F. Nixon: It is devastating.

Mr. Drea: I am sure it is.

An hon. member: He knew it was coming.

Mr. Drea: But I'd like to point out some things, just for the record.

Mr. R. F. Nixon: It's a quarter to nine.

Mr. Drea: Mr. Speaker, in closing—

Mr. Lawlor: I thought that was at 4 o'clock this afternoon.

Mr. Drea: No.

Mr. Young: He was just putting in time.

Mr. Drea: I would like to mention health. I have always been concerned about the cost of health in this province. In the past I have worked very hard, and I think somewhat effectively, to bring the cost of health care in the post-Medicare days to something within the cost which can be borne by the working people and the older people of this province.

It makes me very proud to be a Conservative that on July 1 of this year we will remove about 95 per cent of the financial cost that could ever accrue to an elderly person because of poor health. We have provided the finest Medicare programme in the country; we have the finest hospital programme in the country; we have a nursing home programme which is not only the envy of this country but of the United States.

Mr. Young: Twenty years behind Saskatchewan.

Mr. Drea: Now, Mr. Speaker, for those senior citizens and those disabled people who are in receipt of supplements, either from us or from the federal government, we are going to provide the cost of drugs.

Mr. Young: Thirty years behind Saskatchewan.

Mr. Drea: Thirty years nothing! There is no other government that can take a bow in that direction.

Mr. Lawlor: The member will agree about this government's poor consumer legislation.

Mr. M. Shulman (High Park): In the member's last speech he said the Minister of Health (Mr. Miller) was incompetent.

Mr. Drea: If that were all the provincial Treasurer could do, it would be enough. To provide a form of guaranteed annual income, to meet the needs of municipalities, to meet some of the needs of small business, to produce an anti-inflationary budget, to begin paying off the provincial debt and still take the string out of the cost of health care for elderly people, I suggest is the reason we have been here for more than 30 years and the reason we will be here for many more years to come.

Hon. Mr. Winkler moves the adjournment of the debate.

Motion agreed to.

Clerk of the House: The 21st order, House in committee of supply.

ESTIMATES, MINISTRY OF GOVERNMENT SERVICES
(continued)

On vote 702:

Mr. Chairman: Does any member wish to speak on this item? The member for High Park.

Mr. M. Shulman (High Park): I would like to question the minister on his policies insofar as construction for various ministeries is concerned. I am a little confused. We have had some correspondence, which I'm sure the minister recalls, in connection with a project up at Monteith. How can it be that you'll ask for estimates from various firms to construct something if the money is not available? Can you explain that to me?

Hon. J. W. Snow (Minister of Government Services): Mr. Chairman, as the member is well aware, I sent him a very detailed letter of explanation—

Mr. Shulman: I can't understand it.

Hon. Mr. Snow: —regarding the tenders for the mechanical work for the Monteith facility. First of all, I might say that is one of the few capital construction projects that my ministry is not responsible for, as far as the overall construction of the facility is concerned.

This is a new facility being built mainly by prison labour as a training project for prisoners in the Monteith correctional facility. But in order to carry out the mechanical and electrical portions of the work, my ministry was asked to design those portions of the work and to call tenders for their construction. As I say, all the other trade work and the purchase of materials were being carried out by the Ministry of Correctional Services as one of its training programmes.

We were requested to call tenders for this work, which we did. After we had received the tenders, the ministry decided that it could not go ahead with the work immediately at that time and asked us to defer the awarding of the contract for the mechanical and electrical work because the other construction was not going to be ready. We

notified the bidders at that time that the contract had been cancelled, because, of course, there is a limited time during which the bidders hold their prices firm.

After the finalization of the estimates this spring, I believe, the Ministry of Correctional Services was able to rearrange its finances in some way that it was able to proceed with this project and asked us then to award the contracts for the mechanical and electrical work. As the tenders had expired beyond the date called for in the tender call, we then contacted the low bidder in each particular case and asked him if he was prepared to proceed with the work at his original bid price. I believe it was the mechanical contractor who agreed he would accept the contract, even though the expiry date had gone by, and do the work at the original price. The electrical contractor declined, which was perfectly within his rights. We recalled tenders for the electrical work and it has since been awarded. I think that's the whole explanation.

Mr. Shulman: I would like to pursue this a little, Mr. Chairman, but first perhaps you would be good enough to get me a quorum.

Clerk of the House: Mr. Chairman, there are 19 members present.

Mr. Chairman ordered that the bells be rung for four minutes.

Clerk of the House: Mr. Chairman, a quorum is present.

Mr. Chairman: The member for High Park.

Mr. Shulman: I would like to pursue two points here. I find it very difficult to understand how in February you put out tenders because the department says it has got the money to do it. Three weeks later, it says it doesn't have the money to do it so you cancel the tenders; then five weeks later again it says it does have the money to do it and you have to put tenders out again. Is this chaos entirely in the other departments? Can we absolve you of this entirely?

Hon. Mr. Snow: Mr. Chairman, you would have to ask the Minister of Correctional Services (Mr. Potter) about the financing of this project because the funds are not in our ministry.

Mr. Shulman: Did you not find it a little odd with all this jumping back and forth? Did it enter your head that you might ask him what the hell was going on?

Hon. Mr. Snow: Mr. Chairman, I assure you we pointed out the problems of delaying the award of this contract once we had called the tenders, and pointed out the fact that if it was not awarded by a certain date the tenderers had no obligation to do the job at their tendered price. Because of some priorities and limitations in the budgeting of the Ministry of Correctional Services these decisions were made by their officials, not mine.

Mr. Shulman: I am a little surprised at the rate at which prices go up. You are giving out a lot of tenders; do you find that prices are really rising at the rate of 6¼ per cent a month or every six weeks, which is what happened in this particular case?

Hon. Mr. Snow: We certainly are alarmed at the increase in prices, Mr. Chairman; but in this particular job the low bidder on the mechanical, as I say, accepted the price of his low bid of $97,314. The low bidder on the electrical, for some reason or other, turned out to be, I believe, the high bidder on the second go around. Their tender price increased by 25 per cent. The actual low bidder on the second tender call was 6¼ per cent higher than the low bid was the first time when it was a different bidder. It may very well have been that the low bidder the first time found he had made an error in his tender and that's why he wouldn't hold his price when he had an opportunity to get out. I don't know.

Mr. Shulman: The question I am asking you is: Is this pattern being repeated throughout your department? Are you finding that prices are going up at that rate?

Hon. Mr. Snow: No, they are not going up at that rate.

Mr. Shulman: At what rate are they going up? If you are having a contract done this month, how does it compare with a similar contract that was done six months ago or a year ago?

Hon. Mr. Snow: Approximately 1½ per cent per month is the escalation factor that our research shows at the present time. That's considerably higher than it was a year ago. When we're budgeting our jobs we figure the estimated cost of a project if it goes to tender today. If the job is not scheduled to go to tender until six months from now we would have to add in an inflation factor to have a proper estimate for Management Board at the time the job would go to tender. The figure we are presently using, startling and shocking

as it is, disturbing as it is to me and to my staff, is 1½ per cent per month.

Mr. Shulman: Is it? All right. I want to be very fair—1½ per cent per month. That's 18 per cent per year and that is how you estimated the rate of increase at the present time under this vote. Is that correct?

Hon. Mr. Snow: Well, that is the rate we allow from the time we estimate jobs until the job goes to tender.

Mr. Shulman: Actually, my colleague points out it is more than 18 per cent. At 1½ per cent per month it would be about 21 per cent per year. Does that apply to capital construction, leasing and land acquisition? I'm taking the three items under this vote. Are they all going up at that particular rate?

Hon. Mr. Snow: That's the figure we use for capital construction only.

Mr. Shulman: What is the figure you use for leasing and for land acquisition?

Hon. Mr. Snow: I don't think we have any specific figure for that, Mr. Chairman.

Mr. Shulman: Well, you've been acquiring land right along, I presume, for various projects. How does the cost of acquiring land today compare with the cost a year ago?

Hon. Mr. Snow: It varies from area to area.

Mr. Shulman: On an average.

Hon. Mr. Snow: Costs certainly have been going up. When we are purchasing land we do up-to-date appraisals on land and check the most current sales that we can in any particular area to try to come up with a proper appraisal. We do in-house appraisals, that is by my own staff, on a piece of property before we buy it. We also have outside appraisals carried out. In some large transactions we may ask for two outside appraisals.

Mr. Shulman: Are you able to give me an average figure as to the increase over this past year?

Hon. Mr. Snow: I don't think I can give you any average figure on the increase in the cost of land.

Mr. Shulman: Has your department acquired any land at all recently?

Hon. Mr. Snow: Oh yes; we are acquiring land every day.

Mr. Shulman: What has happened in the last six weeks? Are the prices continuing to go up?

Hon. Mr. Snow: Most of the land we have been acquiring has been rural land. I don't have the exact figures or comparisons between this week and last week. Most of these properties are under negotiation for some time.

Mr. Shulman: I'm interested in your recent experience. You've acquired some land, I gather, in the last couple of months. If the negotiation went on for some time, are you paying the prices that you were originally expecting or are you having to pay higher prices?

Hon. Mr. Snow: I would say we are paying the appraised price or less in most cases.

Mr. Shulman: Okay. Can you give one example of where you've done that?

Hon. Mr. Snow: No, I can't. I haven't got those figures here.

Mr. Shulman: Don't you have your experts here?

Hon. Mr. Snow: Yes, but I don't have all the figures on every parcel of land. I don't know if we have any figures here.

Mr. Shulman: Well, I don't want all the figures at one time.

Mr. P. D. Lawlor (Lakeshore): You know whether it's going up or down.

Mr. Shulman: Is there one specific case in the whole province where you've paid less than you expected?

Hon. Mr. Snow: Well, I would say, comparing the purchase of land, no two parcels are similar.

Mr. Shulman: That's not what I asked you.

Mr. Lawlor: The same land one year ago.

Mr. Shulman: These acquisitions that you've made in the last few weeks, presumably you've negotiated on them for some time. You said to me just two minutes ago the land you've been acquiring, you acquired at the appraised price or less. Can you give me one example to illustrate what you just said, where you acquired it at less?

Hon. Mr. Snow: No, I can't. I can get figures for the hon. member, but I haven't got any figures here on specific parcels of land.

Mr. Shulman: Well, let's look at Pickering, for example. Is it not true that the price—

Hon. Mr. Snow: Before you waste any time on Pickering, my ministry is not purchasing any land at Pickering.

Mr. Shulman: Would you be so kind as to ask your people to bring back, at your convenience, just one example where the land was appraised at a certain value and you managed to get it for less within the last few weeks? I'm going to suggest to you that's not correct.

Hon. Mr. Snow: I'm sure there are properties we buy at less than appraised value.

Mr. Shulman: Mr. Minister, it must be very clear to you by this time what I'm driving at. What I'm trying to find out—and I presume your deputy and his assistants are aware of it—and what I am informed of from your ministry, is that in recent weeks the price of land has continued to climb. I gather from your remarks that you're saying that is not so? Your acquisition prices have not continued to climb in recent weeks. The suggestion is that they've gone down, is that what you're saying?

Hon. Mr. Snow: No, I don't think I said that at all. I don't think I said they have gone down. I said there is no set figure as to rate of increase. I can tell you that we can see from tendering of our construction projects that costs are increasing at approximately 1½ per cent per month. But I do not have a set figure of one per cent or two per cent or 10 per cent for land. We all know that land has been going up in value right across the country as long as I can remember, and I'm sure as long as you can remember.

Mr. Lawlor: And continues to do so.

Mr. Shulman: Yes, but I'm trying to find out if there's been any reversal in that trend, or if the land that you are having to acquire is continuing to cost us, the province, more money. Who is in charge in your ministry of acquiring land? What is his name?

Hon. Mr. Snow: Mr. Gray.

Mr. Shulman: Is he here?

Hon. Mr. Snow: Yes.

Mr. Shulman: Would it be improper for you to ask him if the price of land is continuing to climb?

Hon. Mr. Snow: Mr. Gray advises me that he has not got detailed comparisons with him this evening.

Mr. Shulman: He must have made comparisons in general. Is he able to advise you, and you advise us, if the price of land is continuing to increase?

Hon. Mr. Snow: Mr. Gray advises me that from what he can see the price of land is continuing to increase.

Mr. Shulman: Thank you. That's all I wanted to know.

Mr. J. E. Bullbrook (Sarnia): Better tell the Minister of Housing (Mr. Handleman) that.

Mr. Chairman: The hon. member for Hamilton Mountain is next.

Mr. J. R. Smith (Hamilton Mountain): Mr. Chairman, while the Minister of Government Services receives many brickbats and comments directed his way, I'd like to commend him—

Mr. Lawlor: Not at all.

Mr. J. R. Smith: —and his ministry for stepping forward with construction of the Hamilton-Wentworth Regional Detention Centre.

I read with interest, Mr. Chairman, that the former Ottawa jail has been retained as a youth hostel. In many respects I think it is most fortunate that the old Hamilton jail is to be demolished and on the adjoining property the new regional detention centre constructed. Several times a year I try to visit this institution, which for almost a century was under municipal direction. I must report through you to the hon. members that it is indeed a monument to man's inhumanity to man.

Every time I return to this place I see it in a new perspective and a new way. Last summer the cell block I visited was undergoing painting and other minor repairs from the ministry. And it seemed almost incredible that in our community, after over 100 years, here there was still a cell block of single cells, with two single beds in each, housing approximately 40 prisoners. It was only within the last year the cell blocks had a toilet installed at the end of each corridor and hot water had been provided for the prisoners.

This really did reflect a harsh and cruel form of punishment facility under the former system. The prisoners in this institution,

every night, are handed a pot or a can which, when the cells are open in the early hours of the morning, they have to empty in one or two sinks—one toilet for approximately 40 people.

Perhaps it says something that our city has a very high rate of inmates in its detention centre; this might well be a study for perhaps the Ministry of Correctional Services. It may find out why for example, Hamilton has twice as many people in prison as the municipality of Ottawa-Carleton.

We have, I think, a fine police force. So has Ottawa a very fine force. It's not in that relationship. But our city does have a very high ratio of transient men who, for some reason or other, habitually find themselves reincarcerated.

Mr. Chairman, I hope the minister will see that the new facility is constructed with all due haste and that it also provides facilities for those agencies within the community which try to serve the—

Mr. Lawlor: Do you think your judges may sentence more people to jail than they do in Ottawa-Carleton? Have you looked into those statistics?

Mr. J. R. Smith: The convictions?

Mr. Lawlor: Yes. And what they do in sentencing?

Mr. J. R. Smith: Well that is another field, the justice field. It would make a very interesting study, I'd say to the member for Lakeshore.

The new facility, I would hope, would have adequate space provided for those agencies within the community that are interested in rehabilitation of prisoners, such as the Salvation Army and other related organizations; and even for counselling with legal and other professions.

We're entering a new era and it is unfortunate that this facility is just going up now. I only wish it had been under way sooner. But I commend the minister for seeing to it this was provided for in his budget.

Secondly, I'd like to say a few words about the cost of acquisitions of recreational lands for Hamilton-Wentworth which have been announced by the Minister of Natural Resources (Mr. Bernier). He has put forward a proposal involving two parcels as possible sites—one, the Lax Bros. properties in the west end of Hamilton harbour; and secondly, the Allarco property on the top of Hamilton Mountain at Highway 403 and the Hydro right of way. I hope a full hearing is provided within the community for all segments to express their feelings. I found it rather paradoxical that after the Halton-Bronte Creek part was acquired, the study was made as to what facilities were to be placed there and provided for the use of the general public.

This whole policy of bringing provincial parks to the people is most commendable and long overdue. We have such a state of heavy congestion on our highways on weekends that many people are now reluctant to venture onto the highways to seek the enjoyment and relaxation provided in provincial parks along the peninsula or in northern Ontario. This new programme of bringing the provincial parks to the people is an exciting venture.

The facilities which these lands provide are many, and already the proposed swimming complex for Bronte Creek provides a multitude of opportunities. And these are not just for the people of Burlington but for the surrounding area, which is one of the most densely populated regions of the province. Yet I think there isn't one public park within driving distance that a church picnic or a labour union can go to that has an outdoor swimming pool. The other ones that are presently there are all privately owned. This is why I would like to see on the Allarco property and a goodly portion of those lands acquired. I also would like to see the escarpment face preserved in its original form and perhaps some of the other areas might be designated for active recreational use or otherwise. Anyway, the community is awaiting the public hearings and already there are indications of ideas from many organizations.

The matter of the Lax property is also challenging. Many of the more affluent people in the community are interested in boating and sailing, and there is a need, I understand, for a public marina, so that those people who cannot afford to join the local yacht club, and so forth, can avail themselves of public facilities—just even a place to take their canoes or boats and to launch them in the Hamilton Harbour and Cootes Paradise.

I would advise the minister that here, again, he should be very cautious as to the prices paid for this particular property. The community is well aware of the fact that these were water lots acquired by the Lax Bros. under corporation from the government of Canada for a very reasonable price. The lands were landfilled from soils and other materials excavated from the Claremont access on Hamilton Mountain for a nominal fee and trucked down to the city and onto the harbour site to fill in the land. They were

fortunate to have been able to acquire the materials to fill in these lots.

Nevertheless, there is an extremely strong feeling in the community about whether or not it was legal. So this whole matter of legal jurisdiction of the water lots, and whether or not they had the right to proceed with the landfill and so on, is questionable. One figure quoted millions of dollars as a possible price-tag for these lands. I think this should be a matter that might have to go for expropriation, if the government decides to proceed, so that the taxpayers, in other words, don't line the pockets of the present property owners, that the just price is paid and that's all.

It means moving in a very exciting area—this acquisition would, as the member for Hamilton West (Mr. McNie) said, complement the Dundurn Castle and Royal Botanical Gardens properties and that whole area.

Indeed, perhaps the minister could make arrangements for some of the lands through the Royal Botanical Gardens so perhaps the new combined CN, TH and B Railway facility could be established at Bayview in the west end of the city. Then we would be able to tie into the GO-Transit Service to Metro, Bronte, Burlington and Oakville, and so on; as we are prevented from doing so at present by the heavy use of the trackage from Bayview into the CNR station.

Mr. Chairman: The member for Wentworth is next.

Mr. I. Deans (Wentworth): It is exactly on this point that the member for Hamilton Mountain ended up on. Frankly, I wasn't aware that this was an appropriate place to raise it. I thought, in fact, that it might be more appropriate to raise it with the Minister of Natural Resources and have, in fact done this.

But I do want to say something about this point. I'm worried that if the government decides that it should, in fact, move to expropriate that something called the 'fair market value' will come into it. Now, the 'fair market value' bears no relationship in this case to the actual investment of the Lax Brothers in the property. The market value of the property as it is currently set up would run at about $7 million, and maybe even higher. The actual investment itself, as I raised it in the House, you will recall, about a week ago, was about $270,000. What has happened is that Lax, speculating, purchased some land and the water lots and this speculation has resulted in a lot of problems for the city of Hamilton.

You will recall, Mr. Minister, I'm sure, that about two years ago we were having a rather serious problem in Hamilton with regard to jurisdiction over the harbour and the discussion over who should have the authority to purchase and sell land. I raised with the government, at that time, one of the basic problems. That was that the harbour commission, in spite of its best efforts, obviously saw itself as the owner of the entire harbour. They took to themselves that they had the sole jurisdiction to purchase and dispose of land. The Lax property that the member for Hamilton Mountain has just finished speaking about is obviously an integral part of the particular harbour property we are talking about.

To begin with, I think that expropriation at anything resembling market value would be totally wrong. If there is to be any move at all by the government, it has to be either a freeze on the land, which guarantees it will never devalue at all—and that sounds pretty harsh—or a simple offer to purchase the land from Lax at a cost not to exceed the cost that he has incurred in acquiring and developing it.

He had no right to expect in the first instance that he should be able to build on that land. He had no right to expect that he should be allowed to fill the water lots. He shouldn't have been allowed to fill the water lots, and I am sure the minister will recall that I raised with the then Minister of the Environment—I think it was the member for Halton West (Mr. Kerr) at the time—the problems of using the kind of fill that Lax was using. He was using much of what was torn out of an old roadbed on the side of the Hamilton mountain. A lot of it was tar macadam and the like; it wasn't really very satisfactory fill in the first place.

But the jurisdiction over those water lots has to be taken away from the Hamilton Harbour Commission—not only those, but all of the others. The Hamilton Harbour Commission's function should be to look after the harbour itself; to maintain access and to develop the harbour in whatever way it sees fit for the purposes of shipping.

The minister is going to be faced, if I may say so, not only with the proposition of acquiring the land that the member for Hamilton Mountain was talking about, but also acquiring additional land immediately adjacent to the existing beach strip properties. Because the harbour commission, for

reasons which only they understand, entered into a swap arrangement with the Steel Co. of Canada. They have given over a number of water lots, again stretching far out into the bay, in return for some water lots immediately adjacent to the beach strip.

Now the minister is going to be asked, I am fairly sure, some time within the next 12 months, by his colleague, the Minister of Transportation and Communications (Mr. Rhodes), and perhaps by his colleague, the Minister of Natural Resources, to acquire as much of the property on the beach that can be acquired, if not all; and that will include the land I am talking about, these water lots and some of the lots where the filling has occurred.

Before you enter into that, I think you should make your position known in terms of the policy of the matter and say that you are going to acquire it. Then you should negotiate with the people who currently live on the beach strip to assure them a fair return for their property; and it should take into consideration a lot of things that you may not be prepared to take into consideration. For instance what happens to someone whose entire livelihood was centred on supplying a particular variety store type of service for those people who no longer will live there?

All those things are considerations.

One of the primary things to be done is that if you are asked to acquire the water-lot properties, you are going to have to make a policy decision in the cabinet to acquire total jurisdiction over the bay.

Now, because I suspect it's part of the bed of navigable waters, that may require some kind of arrangement with the federal government. But for the purpose of development of the land itself, I think that it's necessary that it be vested in the Province of Ontario, as opposed to being left in the hands of the harbour commission, or part of it with the city of Hamilton, or perhaps some of it in private hands and some of it under the jurisdiction of the federal government.

I am really quite eager that you not get sucked into paying the kind of prices that are going to be demanded of you in order to acquire this land.

The land that the member for Hamilton Mountain is talking about is not worth more than $300,000 at the outside; and I am being generous. It may not be worth more than $250,000, but I am going to be extremely generous tonight and say that if you paid $300,000, I wouldn't argue. But I am going to tell you that if you have to go to an appraiser, and that appraiser has to somehow or other evaluate the market value of that property, the market value of the property, assuming its highest and best use, will almost certainly be $7 million, and that is an awful lot of money. That's an awful lot of money for a piece of property that could never be developed, because the zoning for the property will not allow it to be developed. I urge the minister to—

Hon. Mr. Snow: May I ask a question? How can the hon. member say the "highest and best use" when he says the zoning of the property won't allow it to be developed?

First of all, I am not familiar with the particular piece of property in question, and we have not been requested by the Ministry of Natural Resources as of yet to purchase it, I don't believe.

Mr. Deans: What I am saying is that the land initially was water lots. It was then filled. It is immediately adjacent to both industrial and residential land. Regardless of whether it were to be sold for industrial or residential, its value would be in the $7 million bracket. It might be higher, in fact, if it were industrial, but it certainly would not be less than $6.5 million to $7 million on the market.

The problem with it is that the city, at least at this point—and nobody can tell what they might want to do at some future time—is not of a mind to permit zoning which would be compatible with either of those two uses. Does that make sense to the minister? It doesn't mean, though, that at some other point Lax couldn't appeal to the Ontario Municipal Board, for example, and say that he had been unfairly treated because his land is adjacent to land currently being used for either residential or industrial purposes and that he should be permitted to develop it as other lands along the same strip are being developed. I think that if the minister is going to sit back and wait too long, he will likely get drawn into the game of trying to establish some fair value for the property, and that fair value is going to be many millions of dollars.

I suppose, really, what I am saying here is this: That if by some chance the suggestion of the hon. member for Hamilton West to the hon. Minister of Natural Resources is undertaken by the government, and the minister is asked to purchase that land, if the government pays more than $300,000 for it, they are paying too much—even though its value in accordance with the value of all

other land around there may well be considerably higher. But Lax has only $212,000 invested in it and of this amount a great percentage is in an option to purchase, an option which runs out on Dec. 30 of this year.

Interjection by an hon. member.

Mr. Deans: So this minister has a major problem ahead of him. If he starts dickering with them now, they will simply exercise their option, in which they have something like $10,000 invested, in order to acquire the full occupancy of the land in order to sell it to the government for $4 million or $5 million. So the government is going to have to find a way around that problem. Don't get taken in by it, that's all.

Mr. J. R. Breithaupt (Kitchener): I hope they don't read Hansard.

Mr. Chairman: The member for Wellington South is next.

Does the minister want to reply to that?

Hon. Mr. Snow: I will certainly take note of the suggestions of the member for Hamilton Mountain and the member for Wentworth and if and when we are requested to purchase this land by the other ministries then we will certainly look at all the details surrounding the value of the land.

But I must say that under the protection of the Expropriation Act—if it has to go through expropriation—this Act was designed to protect the property owner. I don't think we can say that it should protect property owner A and not property owner B. But we will certainly take a long look at the zoning. A lot will depend on how the city decides to zone the land; whether Mr. Lax is able to appeal that decision; and what type of zoning he might end up with at the Ontario Municipal Board. This, of course, will have a major impact on the value of any piece of land.

Now, I am not talking about this piece specifically, because I told the hon. members that I am not familiar with this particular piece of landfill. But I will certainly make myself familiar with it, if we get a request to purchase it.

Mr. Chairman: The member for Wellington South.

Mr. H. Worton (Wellington South): Mr. Chairman, I'd like to have the views of the minister on two or three items as they pertain to the area that I represent.

Over the past two years there has been representation made by the city of Guelph following a directive from the Guelph Police Commission in regards to establishing some new court buildings in Guelph to serve the area. I notice in your book here that you have certain items approved for design. It was my understanding that you were considering some of the county buildings, but this would lead me to believe that you are just talking about putting up some new buildings.

The second item is the fact that we have a registry office in Guelph and while it isn't too many years old—I think about 20 years old—it's badly in need of improvements. The staff are handicapped by the lack of adequate facilities and I think in the past year they've got considerably behind with their registration work. I would like to have your views on that.

The third item is in regard to disposal of property. I think a few years ago when the then Minister of Correctional Institutions (Mr. Grossman) was in charge, he decided to dispose of a number of acres of the land that was involved with the correctional centre there. I think there can be a just case made for disposing of the properties on the boundary line roads, but there's one area that I am concerned about, as to whether you should dispose of it. I think it can be used for public purposes, and that's the property at the rear of the institution, on the Stone Rd. I question whether you should let the population, whether it be industry or residential development, get that close to the main buildings.

I would like you to have a second look. I think the property on the Victoria Rd. side and on the Watson Rd. side can be certainly classed as excess property now that there is no farming operation. I would like to have your views on those three items that I have raised.

Hon. Mr. Snow: Mr. Chairman, we have had preliminary talks with the county as to the possibility of purchasing from the county of Wellington the present county facilities. We have completed appraisals. We have been awaiting the county to have their own appraisal completed, and I'm just advised that that has now been completed and that we will probably be negotiating with the county next week as to whether we can purchase their existing facilities. Apparently the county are quite interested in selling their facilities to us and, I guess, building a new place to suit their needs better, as we are occupying quite a bit of their space now.

If we are successful in purchasing that property then we will be making the necessary alterations there, if I understand it, to include the provincial courts that are now in the police building, I believe. The city would like us to vacate the police building and we are working at all these different things. I guess if we are not able to make any arrangements with the county as far as their complex is concerned, then we will have to consider a new provincial court building perhaps.

As for the registry office in Guelph, to my knowledge we have no programme for the replacement of the registry office or no request from the—

Mr. Worton: No, not replacement. I think getting some new, improved facilities within the building and—

Hon. Mr. Snow: Is it in the present county complex too?

Mr. Worton: It's part of that, in that, area, yes.

Hon. Mr. Snow: If we purchase that, then our alterations there would include the expansion of the present registry office. I just know that we don't have it as a separate project in our capital programmes.

The land that the hon. member refers to at the Guelph Reformatory; there is a large amount of land there that has been declared surplus, something in the neighbourhood of 700 acres, as I recall it. We have had discussions. In fact, I had a very excellent meeting about a month or six weeks ago with the mayor of Guelph, his planners, engineers, some representatives from the university, I think probably the warden of the county, I just can't recall who else, but there were 10 or a dozen people from Guelph met to discuss this property and they were of the opinion that only one portion of the property was surplus to our needs. That was the 250-acre portion on the west side of the reformatory, over by the Pine Ridge School or whatever the name of it is. That's where the orchard is at the present time.

When we got together and started discussing it, they were made aware of the fact that there was a total of about 700 acres. I suggested to the mayor that we should look at the overall parcel and not at one parcel individually. I might say I also had a representative of the conservation authority there and a representative of the conservation authorities branch of the Ministry of Natural Resources. The administrator of the correctional institute was on the trip, too, and outlined plans he has for making the parkland along Highway 7 much more available to the public and more like a public park than the front lawn of the reformatory.

We discussed the possibility of making land down the river, the lowlands, available to the conservation authority for recreational purposes and the possible use of other lands for both housing and industrial uses. The administrator of the institution was quite interested in the possibility of some industries locating there which could use the services of some of the inmates on a temporary absence or daily basis.

The way it was left, Mr. Chairman, was the mayor of Guelph and his delegation went back home. They were to take a long look at the overall property from a planning point of view and were to get back to me. Since then I have had a letter from the mayor saying they were doing this; they were working on it and they would be back with, they hoped, some suggestions for the overall use of this 700 acres of land. I hope we are able to work out some plan which is mutually beneficial to both the city of Guelph and the government and makes proper use of the land now owned by the taxpayers of Ontario.

Mr. Worton: Mr. Chairman, there is another item, while we are discussing that property. I think the minister is quite familiar with airport requirements. Adjoining the property the department owns we have a very active airport. Are there any safeguards put in for the club which is there in regard to landings? I think they have to have a setback of some 400 ft from the airstrip. Has any consideration been given to some protection for that individual user if the property is sold?

Hon. Mr. Snow: Mr. Chairman, when Mayor—Jubb, is it?

Mr. Worton: Pardon?

Hon. Mr. Snow: I am trying to think of the mayor's name.

Mr. Worton: Jary.

Hon. Mr. Snow: Jary, yes. When the delegation was down, we did discuss the airport as the Ministry of Transportation and Communications had looked at the airport and was concerned about protection if the surplus land should be sold. This is a privately-owned airport.

I think I can safely say the Ministry of Transportation and Communications is inter-

ested in seeing some reasonable protection given to that facility. It's a very valuable facility—I happen to know; I use it every weekend, practically.

We did discuss with the city the possibility of that one parcel of land being used partly, perhaps, as industrial land and wondered whether a portion of it could be leased to the airport for a period of years, say, as long as the airport was there. It should not be disposed of nor sold but perhaps leased for airport purposes. If, in 10 or 20 years' time, the present owner of that airport decides to make it into an industrial plaza or something, this land would not have been sold; it would revert back. This is under consideration. I discussed this with the mayor of Guelph. He was quite receptive to the idea and agreed that there should be some protection for the airport.

Mr. Worton: Mr. Chairman, I might say that your ministry, under the previous minister, was very co-operative when it came to expanding on an east-west runway. I sincerely hope that you will continue in this spirit because it is a very important operation for a number of business people.

Now, the other issue that I wanted to raise is that you have acquired a good many acres in Pilkington township. The question that is raised that the Minister of Agriculture and Food (Mr. Stewart) is aware of and I hope you are aware of is that the township of Pilkington is continuing to lose tax dollars on that property. They have had a few new roads which they appreciate very much, but they are losing about $5,000 or $6,000 a year in taxes. I hope that there can be some policy worked out with your department and the Ministry of Agriculture and Food to provide some additional tax money for the property taxes they have lost in that regard.

The other item that I'd like to raise is how many acres have you bought in the parkway belt for the $17 million. How much do you propose to purchase in that area for $17 million?

Hon. Mr. Snow: Well, to answer your first question, I believe the land at the Elora research station is the land to which you refer as far as the taxes are concerned. I can understand the problem there and I assure the hon. member that every consideration is being given to a policy that will alleviate the inequity which exists at the present time.

Regarding the purchase in the parkway belt, there has been no land purchased as of this date, but there is $17 million in our estimates for the purchase of land in the parkway belt area.

Mr. Chairman: The member for Yorkview.

Mr. F. Young (Yorkview): Mr. Chairman, the question that I had in mind has been largely answered, I think—the $7 million increase this year is largely for purchases within the parkway belt. Has the minister any other plans for the purchase of land in the province, any amount at all? It seems to me that if we are going to simply confine the $17 million to the parkway belt, then it leaves them no leeway to purchase land elsewhere for house building or any kind of price control anywhere.

Hon. Mr. Snow: Well, Mr. Chairman, the total in my estimates for land acquisition is almost $30 million. I am sure the hon. member recognizes that. There is $29,959,600, which is an increase from about $12 million over last—

Mr. Young: That's $17 million extra.

Hon. Mr. Snow: The $17 million is for parkway belt land. We still have the $12 million-odd for normal purchases. Now this, again, does not include the purchase of parkland for the Ministry of Natural Resources. Although we purchase that land, the money for those purchases is in its budget and I am sure it is being discussed down in the other chamber at this moment. But the $10 million to $12 million is for the acquisition of land—not land for housing; housing purchases are within the Ministry of Housing—but for public buildings and general land acquisition for new facilities. In some cases it includes the purchase of existing buildings; for instance, the county building at Guelph. If it is purchased, it would be out of the $12 million that is separate from the $17 million.

Mr. Young: Then does it mean that housing land does not appear at all in your budget, although you do the work of actually purchasing it?

Hon. Mr. Snow: No, there is no money in our budget for acquisition of land for housing; and up to this time we have not purchased land for housing. In some cases we have sold land to the Ontario Housing Corp. for specific projects—land that was surplus to our needs. We sold 100 acres of surplus land at the Bowmanville training school to the Ontario Housing Corp. to develop a subdivision. But normally we do not buy land—or have not in the past bought land for housing.

Mr. Young: In effect, then, your purchases are largely for public buildings and that sort of thing? Parkland is purchased by one department, housing land by another department; and in addition to the $17 million you are going to spend on the parkway belt, the $12 million is largely spent on land for public purposes such as public buildings and that sort of thing. Is that correct.

Hon. Mr. Snow: That is right, but we may purchase $10 million, $12 million or $15 million worth of land for the Minister of Natural Resources each year as well. I am not too sure what his budget—

Mr. Young: But that will not appear in your budget.

Hon. Mr. Snow: It will not appear in my budget; it will be in the budget of the Minister of Natural Resources.

Mr. Young: And he pays for this land.

Hon. Mr. Snow: We do the purchasing, and we requisition the funds from his ministry to pay for the land when the deal closes.

Mr. Chairman: The member for Sarnia.

Mr. Bullbrook: Following up on this, Mr. Chairman, I take it I am correct in saying that the particular expenditures that the minister has given to us to vote on relate to the provision of accommodation for other ministries or his own and don't relate, for example, to the acquisition of property with respect to Pickering or, as my colleague from Yorkview has mentioned, in connection with his ministry's acquisitions of parkland for the Ministry of Natural Resources. Am I correct in that assumption?

Hon. Mr. Snow: That is basically right.

Mr. Bullbrook: Then I take it with some validity, from the actual expenditures of your ministry in 1972 with respect to land acquisition that you are going to elevate your requirements by something in excess of 500 per cent over the amounts that were expended in the fiscal year 1972-1973. You are going from $5.7 million up to about $30 million. That bears the message I want to ask you about.

I think my colleague who led off for our party, the member for Essex South (Mr. Paterson), mentioned the question of the public accounts committee meeting that was held a week ago last Thursday—I attended it—wherein someone from your ministry was there to make an explanation with respect to the expenditures of $154,000 for vacant premises. I was taken with the explanation, and I want to say, although I thought it was a little significant, I do recognize the difficulty that your ministry has with respect to accommodating your client ministries.

Now, it is in connection with your philosophy of what your ministry does that I want to question you, because at that time I brought up the involvement of your ministry in the acquisition of the Moog proposal for the provision of OISE facilities at the corner of St. George and Bloor Sts. It is with respect to that type of undertaking that I am interested in knowing what you, as a minister, feel your obligation to be with respect to the client ministries for whom you deal.

During the course of my questioning of your ministry official, I took up again—probably in a nauseating fashion, because we have talked about it so many times—the question of why it seems to be the purpose of your client ministries to locate in some of the highest land value areas, not in the Province of Ontario, but in the Dominion of Canada. And it is not only applicable to lease-purchase arrangements, but also to straight lease arrangements.

When one looks at your expenditure this year of some $38.5 million with respect to lease arrangements, one would like to know for a moment what the capital value is of that type of lease, straight lease or lease-purchase arrangement. That value must be pretty well nudging the billion-dollar figure, I would think.

I want to talk about your involvement with OISE and what your involvement is going to be. With the greatest respect to your ministry—you smile and I can recognize the reason you smile—you were brought into OISE because of a peculiar set of circumstances with respect to the financing of that undertaking. We are all familiar with it, especially those of us who sat on the select committee with respect to the investigation of the head office facilities at Hydro.

Your man said to me last week, "Yes, Mr. Bullbrook, we do take issue with the locations with respect to our client ministries." I want you to give me some idea of what you do with respect to your responsibility to the public purse.

When a ministry comes along and says, "We have a deal to locate OISE at the corner of Bloor and St. George Sts. It is going to be a lease-purchase arrangement which will fund itself out over 30 years at a cost to the provincial Treasury of some $60 million; it seems

to me, were I Minister of Government Services, I would want to undertake with my colleague, the Minister of Education, or my colleague, the Minister of Colleges and Universities, (1) the propriety of that location; (2) alternative locations; (3) the validity of the proposal method.

I am going to sit down now and ask you to explain to me what the philosophy of your ministry is in this connection. I'd like you to give me examples, if you could, to support your philosophy especially if your philosophy is, as I hope it to be, that you take issue with your client ministries at times in connection with location.

Hon. Mr. Snow: My philosophy, Mr. Chairman, is that I don't want any client ministry to be going around making deals on any corner for any building and then coming to me as Minister of Government Services and saying, "Here is the deal." That's not the responsibility of my ministry.

What I want is the information of the requirements of the client ministry or the board or the commission; then it is the responsibility of my ministry to produce space suitable, we hope, for the client ministry. It is quite possible we would come up with several alternatives and with recommendations as to space which would suitably accommodate their needs.

We do this all over the Province of Ontario, not only in downtown Toronto. If a ministry needs a new office in Windsor or Sarnia or wherever it may be, we will investigate the locations or the office space; if it's a lease deal, we will investigate the space for lease and make recommendations to the ministry. If it is a large enough requirement, we will advertise publicly in the newspaper that we need this space so that anyone who has space available can put it forward.

Normally, in leasing some kind of a subjective judgement has to be made because all spaces are not equal. One space may be out in the boondocks somewhere and be totally inadequate to serve the Ministry of Community and Social Services, for instance, which needs to be downtown on a public transit route where its clients can find it.

We take all these things into consideration. I am the first to admit sometimes there are disputes or disagreements with the client ministries as to where they think they should be or what space they should have and the space we have to offer them or recommend to them.

Mr. Bullbrook: Am I correct in assuming that the person who has the ultimate decision-making responsibility is the Minister of Government Services?

Hon. Mr. Snow: No, I don't think you would be correct in that statement.

Mr. Bullbrook: Now we are getting to the nub of it.

Hon. Mr. Snow: Normally, I would think you are correct. We assess the space and we may have many reasons unbeknownst to the client ministry for putting different spaces together, working out terminations of leases, where we are going to be building new buildings, but when we do come into an area of conflict between a client ministry and our recommendation, then that area of conflict is settled by Management Board.

Mr. Bullbrook: It is settled ultimately by Management Board? Would I be invading the privacy of your high office by asking you on how many occasions during the last fiscal year there was a conflict between your ministry and the client ministry as to the provision of accommodation that was settled by Management Board?

Hon. Mr. Snow: There was no conflict in the last fiscal year that I can recall.

Mr. Bullbrook: No, I assumed that there was none. The problem I want to discuss basically hearkens back to the OISE situation. I reiterate for the sake of clarity. Your ministry came in almost like a slaughtered sheep in that situation, because it was a fait accompli as far as your ministry is concerned.

Hon. Mr. Snow: What building are you talking about?

Mr. Bullbrook: The OISE building. Do you agree with me? It had already been done by the Minister of Education.

Hon. Mr. Snow: That I can't comment on, because—

Mr. Bullbrook: Would you care to take it up with your officials, recognizing that you weren't the minister at the time?

Hon. Mr. Snow: We're now referring to about three ministers back.

Mr. Bullbrook: Yes. It is a tremendously good example of the insensitivity of some of your predecessors toward their respon-

sibility in expending public funds, because you see, of all the buildings that stand out as being mislocated, and a waste of public funds, that OISE building is the prime example.

But I can't for the life of me understand if government is adopting a policy—and I don't want to be deflected by talking about Sarnia or Windsor—and I don't defame Windsor by saying they are smaller places—I think you do a very good, conscientious job in attempting to locate.

I want to say to you, you have your friends. But if I were in your position, I would have my friends. I throw no so-called brickbats at you. The fact that people like John Stonehouse, one of the big Tory hacks in Sarnia, gets most of the building is understandable. If we were in, it might well be one of the Liberal hacks, I don't know, so it isn't in that context that I want to speak to you, it is in the context—

Hon. A. Grossman (Provincial Secretary for Resources Development): Is that what you say about your friends? They are hacks?

Mr. Bullbrook: We know what goes on. We know the self-perpetuating devices—

Hon. Mr. Grossman: They won't like that.

Mr. Bullbrook: We know that government on no level is pure. I am very much concerned.

OISE is a prime example. You sit back in a negative posture, understandably negative, wanting to wash your hands of that particular responsibility. But, you see, it was done by this government, and it was done by your portfolio, and I can't for the life of me understand why your government continues to resist, with its boards, its agencies, its ministries, this question of centralization that has been brought up every year by the Leader of the Opposition.

Is there something sacrosanct in having the Minister of Energy (Mr. McKeough) and his portfolio housed downtown? Is there something particular about the Ministry of the Environment that has an affinity to this area? Is there some reason why we must go to the Travelers Building to supply the Ministry of Labour with its accommodation—improbably the most intensively valued land in Canada? This is all we ask on the opposition side. If the Ministry of Government Services says to us that it undertakes with significant resistance, and from a point of view of significant subjectivity, its client ministries—which I say to you, frankly, I must say to you, I don't believe it—in the last fiscal year Management Board has not had one case to resolve. Let me sit down and ask you—in the fiscal year 1971-1972—how many cases did Management Board have to resolve?

Hon. Mr. Snow: I am not so sure of the years that the member is quoting, but one specific one since I have been minister.

Mr. Bullbrook: One significant one. I'm wondering if the minister would regard it an invasion of his privacy if he would let me have a list of those disputes as to quality of accommodation or, more important, location with client ministries that were resolved by Management Board. Would that be possible?

Hon. Mr. Snow: Yes.

Mr. Bullbrook: So I have his undertaking to give it? Shall we say over the last four fiscal years?

Hon. Mr. Snow: I can't recall beyond my term, of course, but—

Mr. Bullbrook: Would you feel it unfair of me to pick out four fiscal years, so that I can get some feeling as to what your ministry has done with respect to client ministries? We have some idea of what the capital programme has been, what the leasing programme has been, what the proposal programme has been, what the least-purchase programme has been and what the land acquisition programme is at present. I'm vitally concerned about what you say, because do you, as Minister of Government Services, see as a matter other than of convenience for the ministry—or, more appropriately, for the minister himself—any real reason why the Environment portfolio has to be in downtown Toronto?

Hon. Mr. Snow: Well, Mr. Chairman, the Environment minister's offices—I guess you'd call them in downtown Toronto—are not in the Queen's Park area—

Mr. Bullbrook: I'm not talking about the Queen's Park area.

Hon. Mr. Snow: They are on St. Clair Ave. But Mr. Chairman, we will very shortly be complete in the movement of the Ministry of Transportation and Communications to Downsview.

Mr. Bullbrook: Right. A very good step.

Hon. Mr. Snow: That has taken place over a number of years and I've never really

checked on who was responsible for that decision, but somebody made a good decision some number of years ago. I'm told many civil servants and perhaps some government members and ministers were not happy with that decision at that particular time. But that has turned out to be an excellent decision and now we have built a new office building at Downsview which will be completed next month in June. That will almost totally move the balance of T and C, which is in the Ferguson block, to Downsview, and bring some other scattered operations into the Downsview complex. That would just leave the minister's office and room for some of his—

Mr. Bullbrook: Senior advisers.

Hon. Mr. Snow: —senior staff or advisers down here. I think that's an excellent plan. I take no credit for it. I've been able to help complete it.

Mr. Bullbrook: Well, your ministry can take credit for it, I hope.

Hon. Mr. Snow: But we have since bought the Scarborough municipal building on Eglinton Ave. out in Scarborough. We are remodelling that building and bringing it up to first-rate building standards. That will become the head office of the Ministry of Correctional Services. They will be totally—

Mr. Bullbrook: Good.

Hon. Mr. Snow: —moved to Scarborough. The only offices they will have down here will be a few for the minister and his staff, which will be probably over in the Whitney block. I agree with this. We are looking at other possibilities for other ministries and other locations that can be used to disperse from the core area. But there are certain ministries I think do have to be down in the core area.

Mr. Bullbrook: I agree with that.

Hon. Mr. Snow: I don't think you would want the Ministry of the Attorney General—

Mr. Bullbrook: I agree.

Hon. Mr. Snow: —away out at Whitby or Oakville or somewhere.

Mr. Bullbrook: I agree.

Hon. Mr. Snow: They should be down here on University Ave.

Mr. Bullbrook: I agree.

Hon. Mr. Snow: Next door to Osgoode Hall and the courthouse and so on.

Mr. Bullbrook: You've got to stop it. I'm agreeing too much. If this is a change in direction, I commend you to it, Mr. Minister, because I picked out those particular ministries from the top of my head, which is not very difficult. Labour, for example, is not oriented towards this particular city or particular milieu that we live in. Energy likewise. I don't necessarily ask you just to move Correctional Services to Scarborough. It might well serve the purposes of the government, even politically, to consider what has been espoused in this House previously—to move the Ministry of Natural Resources to northern Ontario. I would think, frankly, as a person long since removed from northern Ontario, nothing would develop their esprit de province more than to have the head office of a ministry in northern Ontario.

I trust the deputy minister smiles because of my French and not because of the suggestion. It is an old suggestion but a very valid suggestion.

Hon. Mr. Snow: I didn't smile because I didn't understand it, that's all.

Mr. Bullbrook: Esprit de province? That means that the people in Rainy River will not feel closer to Winnipeg than they do to Toronto, notwithstanding the tremendous distance between them.

Mr. Deans: Is that what it means?

Mr. Bullbrook: I want to say this to you, I leave you with these comments of commendation as to what is obviously a change in direction, shall I say, a vicarious type of chastisement because of the fact that your colleagues before you wouldn't listen to this argument. They felt there was something very sanctified about their right to choose to have their colleagues downtown. You obviously are changing the mind. You obviously are developing another philosophy, because you see the important thing is this, that your obligation to pay out of the public purse for the accommodation continues, but you see their programmes go round and round, especially that of the Ministry of Education.

Every time they ask you to do something, begin with a negative response. I invite you to consider, every time the Ministry of Colleges and Universities asks you to do something, begin with a negative response because they are populated with programme building. For example, OISE—I continue with OISE. That could have been begun in a most real-

istic fashion and could have had developed for them on the campus of some university in the Province of Ontario a beginning that would be a shadow of what took place in Berkeley.

But no. No, we had to go ahead because of the tremendous propulsion of those people, the senior advisers in those two ministries, and say we are going to have a grandiose type of adventure called the Ontario Institute for Studies in Education and the thing right now is atrophied. Everybody knows it is atrophying and you are locked in there for 30 years at $2 million a year. Your predecessor in title has locked you in. In sitting down, I invite that you consider, don't be locked in again. Because more than any other portfolios in government those two will give it to you every time. Every time.

Thank you, Mr. Chairman.

Hon. Mr. Snow: I don't know whether I am supposed to reply to that advice or not—

Mr. Bullbrook: No, you are not supposed to reply. You are supposed to take the advice.

Hon. Mr. Snow: But, I must say that the requirements of the two ministries he refers to, I think both capital and lease-wise, are perhaps the lowest of any of our client ministries at the present time.

Mr. Bullbrook: Yes, they might well be the lowest. I'm not arguing whether they are the lowest or not.

Mr. W. Hodgson (York North): Good building.

Mr. Bullbrook: I'm giving you the advice that they're the worst. Just come down some time and sit in during the estimates of the Ministry of Education and the Ministry of Colleges and Universities. If you want to see money wasted—like the community college programme, where you have in the past been involved in land acquisition—get involved in that type of thing. See the tripling and quadrupling of land values where sufficient land was not acquired by the colleges themselves in the first instance. This is the advice I am giving you.

Mr. Chairman: The member for Essex-Kent.

Mr. R. F. Ruston (Essex-Kent): Yes, Mr. Chairman, I want to ask the minister if he has any office space leased in Commerce Court or the Toronto Dominion Centre.

Hon. Mr. Snow: I don't think so. None, to my knowledge, in either the Commerce Court or the Toronto Dominion Centre, or any of the three towers, if we include Royal Trust.

Mr. Ruston: None whatsoever, eh? Okay. What about in your approval for designs on page 37—

Hon. Mr. Snow: I might say the federal government has quite a bit leased in those buildings.

Mr. Ruston: They have, eh? I see. But you have none?

Mr. Deans: You might say that, or you are saying—

Mr. Ruston: Are you putting air tempering in the Quinte Regional Detention Centre, the Carleton Region Detention Centre and the Niagara Regional Detention Centre? Is this continuation of your construction or is this new work being done in there?

Hon. Mr. Snow: Well, this is in addition to the mechanical systems for those buildings, when they were designed. They are relatively new detention centres. Two of them have been opened since I was minister. At the time they were built the air tempering was not included as part of the mechanical system and it is now being added.

Mr. Ruston: You are putting air conditioning systems into them now?

Hon. Mr. Snow: It is not, as I understand it, technically air-conditioning as in an air-conditioned office building. It is—

Mr. Ruston: Air changes.

Hon. Mr. Snow: —an air changing and cooling system. There is cooling involved, too, but it is not a complete atmospheric control like you have in an office.

Mr. Ruston: Okay, that's all.

Mr. Chairman: The member for Wentworth.

Mr. Deans: Thank you. I want to know something about the government's use of the developer proposal method for building. You will recall that the select committee that looked into the Hydro head office building made a recommendation. I'll read it to you so that we all know what I am talking about.

Hon. Mr. Snow: Well it may save the member some time, we don't use the developer proposal system.

Mr. Deans: Oh, you don't. Good. Well, I am still interested in discussing it with you. While you may not use it, obviously some of these other agencies who are responsible to us do. We recommend that, in fact, if the government felt it was financially or otherwise advantageous—because we were unable to make that determination—that, of course, it should be used. Whatever is the best method of getting things done should be the method that we use.

But we also said that guidelines should be established by the government, I presume by your ministry, for any use to which this was to be put and that the guidelines should specifically require the developer to make complete disclosure as a condition of dealing with a public body.

I wonder, since that recommendation was made in September of last year, whether this matter has come under discussion by your ministry with an eye to setting out some guidelines to be used by other government agencies in the event that they should decide again to use a developer proposal method for the development of any of the facilities that they may want to see built.

If they have been discussed by the ministry, just exactly in what direction are you taking in this regard? Could we get an indication whether you feel that it is practical and reasonable to adopt a recommendation of this kind—to work out a set of guidelines—so that commissions and boards would understand the implications of whatever it is they are going to do. And could you tell us the view of the government with regard to the kinds and types of disclosures that ought to be made to the agencies in the event that they should ever again be involved in that kind of development?

Hon. Mr. Snow: I am not sure to what type of disclosure the hon. member is referring. I had some experience in the proposal call or developer proposal system during the three years that I spent as a director of Ontario Housing Corp. A great deal of the corporation's work was by the developer proposal system and there was a very detailed guideline or performance specification. Under it, you don't specify a particular building on a particular site, but you specify a certain quality of building and a certain performance standard. This, I think, worked very well for Ontario Housing. We do not use it; we do build some buildings under the leaseback proposal, but we acquire the sites ourselves, design the buildings ourselves and call the tenders for buildings to be built according to these designs. That is the way we are doing leasebacks at this moment.

We have the two buildings in Thunder Bay which are under construction now on leaseback. One is the courthouse which is just completed; I think they are moving into it today or tomorrow. The other is the so-called mini-Queen's Park which we've all heard so much about; that will be finished this December. In those cases we bought the land and we designed the buildings to a sort of sketch plan stage—an outline drawing—and then asked the bidders to bid on them on that basis.

It worked out quite satisfactorily but you do have bidders bidding on different qualities of buildings. You have one with a better mechanical system than another; one might have better outside cladding than another; the theory of that system is to leave a certain amount of leeway for the builder himself who may have more expertise in pre-cast concrete work than in brick work. In Thunder Bay bricks aren't readily available so maybe the builder wants to use pre-cast concrete; we don't specify that and we leave it up to them.

It does still leave a certain amount of subjective judgement to be made at the end as to does one fellow's better something-or-other make up for the few dollars more he may be in price?

Mr. Deans: Yes, that's true.

Hon. Mr. Snow: We have changed this policy and we are designing the building totally to our standards now and then calling for tenders to build the building and lease it to us.

Mr. Deans: Of course, the other day I suggested to you that the development of building ought to be done through your ministry in any event. I am assuming for the time being that won't happen immediately. I don't quite understand and I didn't understand during the umpteen weeks—I don't know how many there were but there was a long time of hearings—how one evaluated the value and worth under the developer proposal method. I never could quite come to grips with how you knew whether you were getting a $20 million building, a $30 million building or a $38 million building because somehow or other it seemed to be left in the developer's hands to determine the value of the components.

While you could look at certain things and you knew that I-beams were valued at

X number of dollars and concrete pillars were worth so much, you never really could tell what the actual building itself was worth. You could get an appraised value but that didn't take into account really what it cost to build it. It simply took into account what it might be worth if you were to sell it at some given point in time.

We became quite concerned that the area was so fuzzy and the science so inexact that it was virtually impossible for anyone to sit down and really determine what you were getting for your dollars. I think that's a fair thing to say about that hearing and about the way in which the developer proposal method was used by Hydro. I am not suggesting they were taken. I don't know; I have no idea. All I am suggesting is that because we were unable to find out, because, in spite of the best evidence given to us, the conflicting evidence was so great—and there was so much conflict throughout the entire hearing with regard to value and worth, which are two entirely different things—we had a lot of problems sorting out whether Hydro got a good or a bad deal. I suspect they didn't do too well but that is my own view.

With that in mind we recommended that the government ought to develop some guidelines for any future use of developer proposal methods. I think what you are suggesting is the perfect guideline. There should be an acquisition of property; there should be, further, the development of the plans and specifications to a final point so that all you are doing is saying, "We want you to build us this." Then an evaluation can be made quite quickly as to the actual value both in terms of product put into the development and resale value of the finished product.

If the minister were going to do that, if he were going to follow through on what he said is now being done by the ministry in the development of buildings for the use of other ministries and for his own ministry's use, I would like to suggest that it should be a matter of government policy that that same proposal be put to all the boards and commissions who currently have the power to develop on their own. I would suggest that as a matter of government policy, that's how a building should be undertaken by them to ensure that public funds are not wasted. There should be a provision in any future use of developer proposals that the developer has to clearly set out for the use of the agency involved the actual builder's cost for building the building.

In this way we can clearly see whether or not we are getting a reasonable building at a reasonable price; or whether we are getting—as some would obviously claim—an exceptional building at a reasonable price; or for that matter, a somewhat less than exceptional building at an unreasonable price.

I would first like to know if the minister has even read the recommendation; not him personally, but anybody in his ministry. I am curious if they took the time to look at the recommendation; took the time to look at the amount of evidence that was presented with regard to the development of that building that is on the corner of University and College, with an eye to seeing whether or not there were errors made during the entire process from the day it was first conceived in the brain of somebody in Hydro, to the day that it was finally given over to Canada Square for building purposes and the contracts were signed.

Can the minister tell me whether, in fact, anyone within his ministry was charged with the responsibility of reviewing the evidence of that particular facility to determine for his own satisfaction—as the minister in charge of these kinds of developments for government purposes—whether or not Hydro's procedures were reasonable? I am not asking him to tell me if they were reasonable, I am asking him if anybody did review it?

Hon. Mr. Snow: I didn't designate anyone specifically, Mr. Chairman, to review all the procedures of Hydro, or the findings of the select committee. I personally took a keen interest—

Mr. Deans: We all did.

Hon. Mr. Snow: —and I kept up to date pretty well with both the points made by Hydro and the recommendations of the committee. However, we had no real reason to review it, since my ministry was not involved with the building of that building, nor were we asked to be. In defence of the system, the member says there is no way of knowing what you are getting.

Mr. Deans: That's right.

Hon. Mr. Snow: If you know what you are doing, you know what you are getting; because the staff in my ministry can tell me what a building is going to cost within a very fine margin, whether it is a leaseback building or a capital project. We estimate every one of these jobs and know what the capital cost is going to be.

Mr. Deans: The minister realizes that in the case of Hydro they were unable to make a judgement and that's why, of course, they shouldn't have done the thing in the first place. That's why this ministry should have done it; but that's another story for another day.

Hon. Mr. Snow: Another story for another day; right.

Mr. Deans: We have spent the $44 million or $45 million now, so there is no point in rehashing that. But what I am concerned about is: Can I ask the minister if he will have someone—whoever does these things within his ministry—take a look at that particular recommendation to see whether it is possible, in conjunction with government policy, to set out some guidelines? This would be in the event that any other government agency should ever decide that they want to use the developer proposal method for acquiring a head office or any other office, or any other building for that matter, for their own use.

I think the government has a responsibility in that regard. I know that the claim up until this last few months was that Hydro was distinctly separate from government and ran its own show.

Obviously that wasn't entirely so. There was a great deal of relationship between government and the Hydro development and the Hydro offices. I think it's basically true of the Workmen's Compensation Board too in the development they're undertaking.

They're not the only ones. Over the course of the next 10 or 15 years there is going to be any number of them doing the same kinds of things unless there's a drastic change in policy. Assuming that change won't take place, I think it would be useful if you would get a policy decision from your colleagues with regard to how any agency, board or commission, operating independently of the government, should be permitted to develop any facilities that it wants to develop and to set out the guidelines clearly, so that there can't be a repetition of what occurred down the street.

Mr. Chairman: The hon. member for Windsor-Walkerville.

Mr. B. Newman (Windsor-Walkerville): Mr. Chairman, I wanted to ask of the minister on the development of the provincial public building in the city of Windsor, is that through sketch planning or is it with the final plans developed by your department and then tenders called on your specifications?

Hon. Mr. Snow: The complete plans, working plans and specifications, are being prepared now ready for a tender call in August.

Mr. B. Newman: When is it anticipated that the building will be completed?

Hon. Mr. Snow: There are a lot of variables in here, depending upon how many strikes we have or material shortages. There are many things, but I would estimate that that building would take about a year. After the contract is awarded, it should be built in about a year.

Mr. B. Newman: Thank you, Mr. Minister.

I want to ask of the minister at the same time, Mr. Chairman, in the addition to the Essex county courthouse, is it contemplated that tenders will be called this year?

Hon. Mr. Snow: I would doubt it, because I think we're just in the planning stages on that project. Dec. 15 is the preliminary estimate for the tender call on that.

Mr. B. Newman: Of this year?

Hon. Mr. Snow: Dec. 15, 1974, yes.

Mr. B. Newman: I asked the Attorney General (Mr. Welch) that question during his estimates. His reply to me was: "It is my understanding of the Windsor situation that it is anticipated that tender call will be made this year for the addition." Then that is correct?

Hon. Mr. Snow: It is correct.

Mr. B. Newman: Right. Thank you, Mr. Minister.

Hon. Mr. Snow: He would never lead you astray.

Mr. Chairman: Does vote 702 carry?

Mr. H. Edighoffer (Perth): Mr. Chairman.

Mr. Chairman: On vote 702 or vote 703?

Mr. Edighoffer: No, you were just looking across the way there.

Mr. Chairman: On vote 702, the hon. member for Perth.

Mr. Edighoffer: Mr. Chairman, I just have a couple of brief questions regarding the capital works programme. I find it most confusing to read these books on capital works.

Hon. Mr. Snow: You found them confusing last year and we changed them so you wouldn't find them confusing this year.

Mr. Edighoffer: I did mention it because it was confusing then and I find that it's very similar this year.

I'm just wondering if you could take, for instance, the alterations to the legislative buildings down here. I think our leadoff speaker made mention of this the other day. As I see the book this year, the estimated project cost is $2,065,000. That's the estimated project cost. The contract price is $1,816,000. Each year for the last three years, it has been considerably different. What is the total project cost down there?

Hon. Mr. Snow: Mr. Chairman, it all depends. The estimated project cost is as per the blue book here which is $2,065,000. That includes all the architects' fees, the additional mechanical work that is being done and the supervision costs. That would also, I presume, include furniture and furnishings.

Mr. D. A. Paterson (Essex South): Great chairs!

Hon. Mr. Snow: What happened to the chairs?

Mr. Paterson: They're falling apart.

Hon. Mr. Snow: I'm sure the supplier will be hearing about that.

Mr. Edgihoffer: How is this budgeted for? When you go through the last three years and total up what's been budgeted each year, it just doesn't come near that total.

Hon. Mr. Snow: The budget has had to be increased. As I explained the other night, a great deal of additional mechanical work was carried out that was never anticipated in the first place. All the drains under the floor are 80 or 90 years old, and they were found to be corroded and all had to be replaced. There are a complete new communications system, telephone system, telephone room, and complete new transformer rooms and the main switchboards for the whole building have been completely replaced. A great deal of work is included in this $2 million figure that really has nothing to do with the actual building alterations that you see when you go down into the basement level.

The installation of air conditioning equipment and air conditioning pipes in the ceilings for the future air conditioning of the rest of this building was carried out at the time those alterations were done. This building never had a sprinkler system before. It now has a complete new sprinkler system covering the full basement level.

Mr. Chairman: Vote 702?

Mr. Edighoffer: No, I have some more questions.

Mr. Chairman: If you have more questions you will have to leave them until the next time.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report progress and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, before the adjournment of the House I would say that tomorrow we will proceed as announced last Thursday evening, the first item being item No. 2, Bill 25.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:35 o'clock, p.m.

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Legislature of Ontario Debates

No. 49

Ontario

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

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Tuesday, May 14, 1974

Afternoon Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, MAY 14, 1974

The House met at 2 o'clock, p.m.

Prayers.

CONFERENCE OF ATTORNEYS GENERAL

Hon. R. Welch (Provincial Secretary for Justice and Attorney General): Mr. Speaker, before beginning the orders of the day, you will recall that yesterday I had occasion to indicate to the members of the House, the convening of the conference of the interprovincial attorneys general. I know that members of the House would like to welcome in your gallery the members of this conference, my colleagues, the attorneys general. I would like to introduce to the House Hon. Alex Macdonald from British Columbia, Hon. Mervin Leitch from Alberta, Hon. Mr. Romanow from Saskatchewan, Hon. Mr. Pawley from Manitoba, Hon. Mr. Choquette from Quebec, Hon. Mr. Baxter from New Brunswick, Hon. Mr. Sullivan from Nova Scotia, and Hon. Mr. Hickman from Newfoundland. We are expecting to be joined before we conclude tomorrow by the Hon. Mr. Campbell from Prince Edward Island.

We start our meetings today and will be carrying on until tomorrow. My colleagues, the attorneys general, wanted to see the operation of the House and I thought this would be an excellent time for members of the House to meet with them and welcome them.

Mr. F. Drea (Scarborough Centre): Mr. Speaker, before the orders of the day, may I present students from the R. H. King Collegiate Institute with their teacher, Mr. Hochkirchen, in the west gallery.

Mr. H. Worton (Wellington South): Mr. Speaker, it is my pleasure to introduce 25 students from grade 12 economics, John F. Ross Collegiate and Vocational Institute, Guelph, and their teacher, Mr. Bruce Abel.

Mr. J. F. Foulds (Port Arthur): Mr. Speaker, it is my pleasure to introduce to you and through you to the members of the Legislature 60 students from the Five Mile Public School in the great riding of Port Arthur. I am sure you will welcome them.

Mr. E. M. Havrot (Timiskaming): Mr. Speaker, it is my great pleasure through you to introduce to the members of the House 30 grade 7 students and three adults in the west gallery from the Cobalt Public School in the great riding of Timiskaming. Thank you very much.

Mr. Speaker: Statements by the ministry.

ONTARIO COUNCIL ON UNIVERSITY AFFAIRS

Hon. J. A. C. Auld (Minister of Colleges and Universities): Mr. Speaker, I would like to advise the House of the government's intention to create an Ontario Council on University Affairs. The council, which will be established by legislation that I propose to introduce later this afternoon, will make recommendations to the government on matters affecting the province's university system, such as the eligibility of programmes for funding, total funding requirements and allocation of funds.

I am pleased to advise hon. members that the first chairman of the new council will be Dr. Stefan Dupré, currently chairman of the department of political economy at the University of Toronto.

With your permission, Mr. Speaker, I will briefly summarize Dr. Dupré's distinguished career. He graduated in economics and political science from the University of Ottawa in 1955, then studied political economy at Harvard University, receiving his AM in 1957 and his PhD in 1958. He taught political science at Harvard from 1958 until 1963 when he joined the University of Toronto.

While at the University of Toronto he has served in various capacities with the Ontario Committee on Taxation, the Ontario Civil Service Arbitration Board, the Science Council-Canada Council study group on federal support of university research and the National Research Council of Canada. He is also a past president of the Institute of Public Administration of Canada.

Mr. Speaker, legislation to create the Ontario Council on University Affairs responds to the recommendations of the university community in general and in particular to the advice of bodies such as the Commission on Post-Secondary Education in Ontario, the Council of Ontario Universities and the Committee on University Affairs.

The new council replaces the Committee on University Affairs and will act as a strengthened "buffer," protecting the autonomy of the universities in planning their programmes and development while maintaining the minister's accountability to the Legislature and the people of Ontario.

NORONTAIR NORTHWEST

Hon. J. R. Rhodes (Minister of Transportation and Communications): Mr. Speaker, in the Speech from the Throne which opened this session of Parliament, the Honourable the Lieutenant Governor noted the government's intention to extend the norOntair type of air service to communities in northwestern Ontario.

The plan calls for linking some 12 more or less isolated communities with the national and regional air carriers at Dryden, Thunder Bay and Sault Ste. Marie. It would also provide much greater mobility within this northern region itself.

I would like to report to the House on progress to date.

My ministry has now completed feasibility and system design studies, and a proposal has been approved by the resources development policy field committee. I have this week authorized the Ontario Northland Transportation Commission to take immediate action to implement norOntair Northwest services.

I should point out at once that there are several critical factors which determine the timing and sequence with which norOntair Northwest can be implemented.

First is the matter of airport facilities and navigational aids. Several municipalities would have to upgrade these facilities to meet norOntair and Ministry of Transport standards. While there is substantial federal and provincial assistance available for this purpose, all local jurisdictions may not be prepared to move at once to effect the improvements.

Next is the negotiation of contracts with suitably qualified carriers to operate the service for the province. This air service cannot be launched without the co-operation of the private sector.

And finally, licence applications from the appointed carriers must be approved by the Canadian Transport Commission. The Ontario Northland Transportation Commission will support these applications and we are counting on the CTC to expedite approval.

Services to communities which have adequate facilities now, and where suitable contractors are available, probably could be inaugurated within 12 months. Other points would join the network as facilities became available. We expect the entire network to be in service in 1977.

The following links are planned: Fort Frances and Red Lake to Dryden; Kenora, Sioux Lookout and Pickle Lake to Dryden; Fort Frances and Atikokan to Thunder Bay; and Marathon, Geraldton, Manitouwadge and Wawa to Thunder Bay and/or Sault Ste. Marie.

Mr. Speaker, as was the case in northeastern Ontario, this new norOntair service will be a demonstration project. It is approved for a maximum of three years. It will be operated by a private sector carrier or carriers under contract to the Ontario Northland Transportation Commission. If required, the province will make available two Twin Otters or comparable aircraft—one in this fiscal year, and one in 1975-1976.

Within the next two weeks a task force from ONTC and the ministry will hold meetings with each of the municipalities involved. Specialists will deal with the engineering and financial aspects of upgrading airport facilities and will discuss the proposed service pattern; the probable flight frequencies and fares; and the economic implications for the community.

Meanwhile ONTC, which is charged with the responsibility for selecting the carrier or carriers, will place advertisements inviting private carriers to submit proposals. As a result of these activities, Ontario Northland should be able to name the operators and give a firmer implementation schedule in August.

Mr. Speaker, the present norOntair operation in northeastern Ontario will complete its three-year demonstration programme this fall. That demonstration has shown that this type of transportation service is needed, wanted and viable. Since inauguration in 1971, it has experienced a steady growth in patronage particularly during the past six months under the on-the-spot guidance of ONTC. It is the government's intention to extend its support of norOntair northeast to the end of 1976. At that time we have every expectation that

with or without provincial subsidy the service will be continued indefinitely.

Today we embark on another three-year air-service demonstration, this time in northwestern Ontario. Unquestionably, the Ontario Northland Transportation Commission, with its success with norOntair northeast, is the agency to supervise operations of the new airline. We are confident it, too, will be successful, will reduce isolation and will improve economic and social opportunities for the affected communities. It will also provide a much needed base for the development of the private air transportation sector in the north.

UNEMPLOYMENT RATE

Hon. J. White (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, I have a brief summary of current labour force conditions in Ontario and in Canada for April, released by Statistics Canada this morning. I am pleased to inform the House that, as anticipated in my budget—

Mr. S. Lewis (Scarborough West): It's the first opportunity the Treasurer has had to crow for some time.

Hon. Mr. White: —Ontario's seasonably adjusted unemployment rate was 3.6 per cent of the labour force compared to 5.3 per cent for Canada.

Interjections by hon. members.

An hon. member: Does the Treasurer mean we're ignoring the rest of Canada?

Mr. Lewis: It must have been the Land Speculation Tax Act.

Mr. Speaker: Order.

Interjections by hon. members.

Mr. Speaker: Are there further statements?

Mr. V. M. Singer (Downsview): The Treasurer should put on his sweater!

Mr. Speaker: Oral questions.

The hon. Leader of the Opposition.

PROVINCIAL CONTROLS ON PETROLEUM PRICES

Mr. R. F. Nixon (Leader of the Opposition): Thank you, Mr. Speaker. I'd like to ask the Premier if he is aware that instructions have gone to the gasoline retailers in this province that their pump price will go up by nine cents tomorrow?

Hon. W. G. Davis (Premier): No, Mr. Speaker, I am not aware.

Mr. E. R. Good (Waterloo North): Does he care?

Mr. Lewis: That's true.

Mr. R. F. Nixon: A supplementary: Since the Premier is now aware that the price is going up in the province tomorrow, even though he was unaware of it—

Mr. Good: He doesn't care.

Mr. R. F. Nixon: —does he continue to reject acceptance of any policy which would use the power of this Legislature or the power of his government, either to control or moderate that increase so that it can be brought on in stages or, better yet, kept at a level considerably below the nine-cent level?

Hon. Mr. Davis: Mr. Speaker, I have observed in this House before, and I'll be very frank about it again, I don't see a committee of this Legislature reviewing prices as being a solution to the problem.

Mr. R. F. Nixon: The Energy Board can.

Mr. Lewis: The Energy Board does.

Hon. Mr. Davis: I was asked by the leader of the New Democratic Party about controls—I think it was roughly 10 days ago—and the answer is the same today: At this moment we do not see some form of legislative control. I emphasize "at this moment."

Mr. D. C. MacDonald (York South): Review and rollback.

Mr. R. F. Nixon: A supplementary, just to make it clear: Since the increase is going to take place tomorrow and the Premier has associated himself with the leader of the Progressive Conservative Party in Canada who is calling for these controls—

Mr. A. J. Roy (Ottawa East): That's right.

Mr. R. F. Nixon: —does he categorically reject the use of the power which would be given to him by this Legislature either to moderate or control these prices?

Mr. Singer: Good question!

Hon. Mr. Davis: Mr. Speaker—

Mr. Singer: Let's have the Treasurer give another bulletin.

Hon. Mr. Davis: —I must say I find it encouraging to find the leader of the Liberal Party of the Province of Ontario obviously in

support of Mr. Stanfield in his approach to wage and price controls. I would only say to him, if he would use some of his—

Mr. R. F. Nixon: I can do as much harm as the Premier will.

Mr. Foulds: Quit playing politics.

Interjections by hon. members.

Hon. Mr. Davis: —questionable influence on his federal colleagues, they could have headed off this situation six weeks ago in Ottawa—and he knows that's so.

While I am not going to raise the constitutional issues here today—

Mr. R. F. Nixon: There are people here from other provinces.

Mr. Speaker: Order.

Hon. Mr. Davis: I am not going to raise the constitutional question, but one of our sister provinces, Mr. Speaker, has taken certain steps and now finds itself in the courts.

Interjections by hon. members.

Hon. Mr. Davis: I would only say to the Leader of the Opposition that we here have demonstrated our intent to come to grips with the question of inflation far more than has the federal government—we are prepared to do so again.

Mr. R. F. Nixon: How?

Mr. Roy: How?

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. Davis: But with respect I say that while any form of control of this kind may have to be done provincially at some point, it should be done by a federal government that has the intestinal fortitude to deal with it.

Mr. R. F. Nixon: This government has rejected controls.

Hon. Mr. Davis: No, we have not rejected them.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Lewis: By way of supplementary, I presume the Premier will be discussing this with the Attorney General of Nova Scotia at some stage today or tomorrow—

Mr. Speaker: Order, please

Mr. Lewis: How far above nine cents a gallon is the Premier prepared to allow prices in Ontario to rise—one cent, two cents, three cents above the nine cents—at $44 million additional cost to the consumer? Where does he draw the line? Where does he start to protect the consumers of Ontario?

Hon. Mr. Davis: Mr. Speaker, I am expressing strictly a personal point of view—

Mr. Singer: Oh, come on!

Hon. Mr. Davis: —and I find it hard to understand an increase beyond the seven cents roughly—

Mr. Lewis: Seven and a quarter cents.

Hon. Mr. Davis: —or whatever it was that was agreed to in Ottawa some six weeks ago.

Mr. Lewis: A supplementary: If the Premier finds it hard to understand, why is he so coy about the additional two cents that the oil companies are extracting illegitimately from the consumers of Ontario, whom he, as Premier, is supposed to defend and is about to betray?

Hon. Mr. Davis: Mr. Speaker, I am never coy.

Mr. Lewis: Mr. Speaker, a further supplementary—

Mr. Speaker: Order. The next supplementary should be over on this side.

Hon. Mr. Davis: I may be many things, but I am never coy.

Mr. Lewis: Well, he is being coy in this place.

Hon. Mr. Davis: I am not being coy.

Mr. Lewis: He certainly is!

Mr. MacDonald: The Premier's innocence is so sweet.

Hon. Mr. Davis: Well, I am innocent.

Mr. Speaker: The hon. member for Rainy River has a supplementary.

Mr. T. P. Reid (Rainy River): Thank you, Mr. Speaker—

Mr. J. Riddell (Huron): Send in the Treasurer with another bulletin.

Mr. R. F. Ruston (Essex-Kent): Send a telegram to Stanfield.

Mr. Reid: Is the Premier prepared to take any action against the oil companies, who are now splitting up the market and putting themselves in monopoly situations in regard to various grades of oil and gasoline and to geographical areas?

Hon. Mr. Davis: Mr. Speaker, I am not familiar with this activity, if it is going on, on the part of the oil companies. I would be quite prepared to discuss it with the Minister of Energy (Mr. McKeough).

Mr. MacDonald: A supplementary question: Since the Premier is aware of the fact that the Home Oil case in 1940 established the constitutional right of a province, why is he waiting for Imperial to appeal a case in Nova Scotia when clearly it is procrastination?

Hon. Mr. Davis: Mr. Speaker, I pointed out that one of our sister provinces had taken a step and found itself in the courts. I said just a few moments ago I was not raising the constitutional issue.

Mr. R. Haggerty (Welland South): At least they are trying to do something!

Mr. Lewis: A supplementary—

Mr. Speaker: I believe there has been a sufficient number of supplementaries. The hon. Leader of the Opposition.

ENVIRONMENTAL IMPACT OF PUBLIC WORKS

Mr. R. F. Nixon: Another question of the Premier, Mr. Speaker: Since the decision handed down by the Minister of the Environment (Mr. W. Newman) yesterday, pertaining to the Arnprior dam expropriation hearing, apparently opens it up for the work to begin on the $80 million programme on a grand scale, has the Premier assured himself, in consultation with the Minister of Energy and others, that in fact this project is essential? Or would he give some further consideration to stopping it on the basis of the ecological invasion and the damage that it will do?

Is he aware that one of the reasons it is going forward is that the lake will provide 50 miles of shorefront, presumably for recreational purposes, when in fact we are losing 2,000 acres of farmland with the decision that was supported yesterday by the Ministry of the Environment?

Hon. Mr. Davis: Mr. Speaker, the government isn't prepared to alter the policy of Ontario Hydro with respect to the Arnprior development.

Mr. R. F. Nixon: A supplementary: If I may just make it clear, I would think that if the Premier could say that the project were essential to the provision of energy in the province, there would not be so much objection to the way this has gone forward. Will he assure himself of the essentiality of the programme, or is this something that is associated with the provision of recreational services in the area, rather than power?

Hon. Mr. Davis: Mr. Speaker, the definition of essentiality is a judgement decision sometimes based on the degree of essentiality. Ontario Hydro has been charged with the responsibility of providing electricity to the consumers of the Province of Ontario. I could say to the Leader of the Opposition that when it comes to this particular aspect of its responsibility it has been and is doing rather well.

Mr. Roy: The only essentiality was to get Yakabuski elected.

Mr. Lewis: That certainly was not essential. No, that was inessential.

Supplementary: May I ask the Premier, is he aware that in every single instance of the five farmers from whom Ontario Hydro sought expropriation, the inquiry officer found that Ontario Hydro had asked for more than was reasonably necessary and had not justified the taking which they put before him, and in every single instance reduced that taking? Doesn't that show him that Hydro from Day One to the end has behaved in a fashion so arbitrary and so irresponsible that he should now intervene to reappraise the entire project?

Hon. Mr. Davis: Mr. Speaker, I haven't read the hearing officer's report in detail. While I acknowledge that the hearing officer did reduce the amount required by Hydro, the hearing officer did not say, nor I guess would it be appropriate to say, that this work was not essential. I think it is fair to say, Mr. Speaker—

Mr. Lewis: He was not asked that.

Hon. Mr. Davis: —that Hydro may or may not have in other instances suggested a larger acquisition than was, shall we say, completely necessary for their works. I don't know whether they acquire an extra 10 acres here or there. I can't presume to know this. I would only say to the leader of the New Democratic Party the government does not intend to alter the direction of Hydro as it relates to the Arnprior project.

Mr. Lewis: By way of a supplementary, can the Premier at least intervene in Hydro to indicate to them the government's displeasure at the heavy-handedness with which they have approached the whole project, because why exacerbate public feeling even further by wishing to acquire land far beyond that which is reasonably necessary, and productive farmland to boot?

Hon. Mr. Davis: Mr. Speaker, Hydro has been told on more than one occasion that this government is anxious, with respect to land dealings in particular, that they exercise as much good judgement as is possible.

Mr. Lewis: They've not learned it.

Mr. MacDonald: They are really slow learners on that issue.

Hon. Mr. Davis: I would say, Mr. Speaker, if there are instances in the many thousands of acquisitions where people are upset, I can understand this and I'm totally sympathetic to the concern of the people who are affected. I can only say that Hydro has been told this on many occasions. In fairness, I think in probably the vast majority of cases the people negotiating, the people doing the actual settling with the farmers or owners, do so on a very reasonable basis. There are always exceptions and I'm prepared to admit it.

Mr. Speaker: The hon. Leader of the Opposition.

LAND PURCHASES IN HALDIMAND-NORFOLK

Mr. R. F. Nixon: Mr. Speaker, I have a question of the Treasurer. With the options on the property in Haldimand-Norfolk near Jarvis running out within about two weeks' time, is the Treasurer prepared to make a statement, now that he has canvassed the regional council of Haldimand-Norfolk, on the proposals that have been put to him for the sale of that property in the Haldimand-Norfolk area? Is there going to be a positive announcement of government policy before the efflux of time means the options are lost?

Hon. Mr. White: It is interesting, Mr. Speaker. I did tell the hon. member last Friday that I had been in his riding on Thursday and I wondered how long it would take him to confirm that fact and to learn that I wasn't in Oxford county at all. That's by the by.

Mr. R. F. Nixon: Yes, the Treasurer was in the riding of the hon. member who sits behind him.

Hon. Mr. White: No, I was in the member's riding. I was in Cayuga. Cayuga is the member's riding, isn't it?

Mr. R. F. Nixon: No, it isn't.

Interjections by hon. members.

Hon. Mr. White: I drove through the Leader of the Opposition's riding.

Mr. R. F. Nixon: The Treasurer is very welcome to drive through it any time.

Hon. Mr. White: And I was glad to get out of it.

Interjections by hon. members.

Hon. Mr. White: To answer the question, I hope to have something to say on this subject Thursday.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. J. E. Bullbrook (Sarnia): The Treasurer could come to my riding every day but it wouldn't do him any good.

Interjections by hon. members.

Mr. Speaker: Order. Something seems to be out of order. The hon. Leader of the Opposition.

POTATO SUPPLIERS

Mr. R. F. Nixon: I would like to ask the Minister of Agriculture and Food if he has instituted an inquiry into the fire at the potato warehouse owned by the John Dawesworth Co. at Pine Orchard north of Toronto, which was referred to as a part of the price fixing consortium that was alleged to have been financed by one Joseph Burnett? And if he has not instituted an inquiry, would he ask those people who are carrying on the inquiry—whom he refers to from time to time in this House—to meet with the York regional police on this particular incident?

Mr. Worton: Careful, that is a hot potato.

Hon. W. A. Stewart (Minister of Agriculture and Food): Yes, it seems that way; it seems as though there were many.

No, Mr. Speaker, I have not asked for such an inquiry. I assume that the appropriate authorities are looking into it appropriately.

Mr. R. F. Nixon: Supplementary: Since it may, in fact, have a bearing on the special inquiry that the minister is undertaking in the price fixing in the potato market in Metropolitan Toronto, would he not deem it advisable to ask those people associated with the food council who are concerned specifically with this, or with the OPP who are assisting them, that they might very well consult with the York regional police in this matter?

Hon. Mr. Stewart: No, I see no particular reasons for that, Mr. Speaker.

Mr. M. Shulman (High Park): Supplementary, Mr. Speaker: Why is it taking the minister so long to conduct such a relatively simple inquiry; and when is he going to report to the House on what he has learned?

Hon. Mr. Stewart: Mr. Speaker, I don't think there is any great problem as far as the study is concerned. We have met with the various presidents of the food companies that are involved, and I think perhaps the story might have been exaggerated to some degree.

There is not complete control by those various dealers of all the potato markets in the Province of Ontario; nor in the Toronto area. There are one or two stores that seem to be buying most of their supplies from the particular people who were referred to in the newspaper article. Other chain stores are not buying all their supplies there at all. In fact, they are buying them from a variety of sources throughout Ontario which is, I suppose, the appropriate and normal thing to do.

We have had some discussions with them concerning their source of potatoes, and there has been no evidence that we can see whatever of any collusion to force the price of potatoes in any way. As a matter of fact, there are at least 43 growers who are growing on contract for some of the potato distributors referred to in the article, and who are quite well satisfied with the arrangements they have. There is nothing to preclude anyone else from getting into the business himself.

Mr. Shulman: Supplementary, Mr. Speaker: Has the minister taken the trouble to question the people who were threatened when they were changing their method of supplying the potatoes?

Hon. Mr. Stewart: No, that's a matter that will be properly investigated, but not necessarily by the ministry.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon: Supplementary: Might I presume that the minister's statement is not the report that was promised and that there will be a fuller report given to the Legislature?

Hon. Mr. Stewart: I wouldn't say that was the case, Mr. Speaker.

Mr. R. F. Nixon: Was the minister's statement he just made the report that he has promised for the last two or three weeks?

Hon. Mr. Stewart: Not necessarily. I told the Leader of the Opposition we would look into it, and if there was any evidence of wrongdoing we would report to the Legislature. We can find no such evidence, Mr. Speaker.

Mr. Shulman: It's there for a blind man to see.

Mr. Speaker: The hon. member for Scarborough West is next.

KRAUSS-MAFFEI SYSTEM

Mr. Lewis: Could I ask the Minister of Transportation and Communications: What is the course of action he intends to follow now that the Toronto city public works committee has recommended that no additional land be provided for the experimental model Krauss-Maffei project at the Canadian National Exhibition grounds, and is so recommending to council; particularly since that committee contains within it a sufficiently representative group of council that it looks as if the request for additional land will be turned down? What then does the minister do?

Mr. R. F. Nixon: Put it underground?

Hon. Mr. Rhodes: Mr. Speaker, I expect that we will ask and we will expect that the terms of the agreement that has been signed between the ministry and Metropolitan Toronto will be lived up to, and that agreement provides for the use of the facilities and the land in that area.

Mr. Lewis: Just a moment, now. By way of supplementary, is this not sort of the latest, perhaps the final episode in the death wish which surrounds this project? If the city of Toronto says that by no means may the minister have any additional land for his project—they will not permit it—what then does he do? Does he run it around Queen's Park, as was suggested, or does he scrap it?

Mr. J. R. Breithaupt (Kitchener): It's a way out.

Hon. Mr. Rhodes: Mr. Speaker, as I say, there is an agreement existing between the ministry—

Mr. Singer: Run it up the Spadina expressway.

Hon. Mr. Rhodes: —and Metropolitan Toronto that I would think would supersede any decision by that committee.

Mr. R. F. Nixon: The minister had an agreement with Toronto to build a certain amount of expressway.

Mr. P. G. Givens (York-Forest Hill): Supplementary: How much is it going to cost and who is going to pay for the widening of Lakeshore Rd. west of Bathurst St.? Who is going to pay for it: the ministry or the city?

Hon. Mr. Rhodes: I don't know what those arrangements are. I can't give the member that cost at this time.

Mr. Speaker: The hon. member for Scarborough West.

TEXASGULF INC.

Mr. Lewis: May I ask the provincial Treasurer, Mr. Speaker, if he has engaged in discussions with Texasgulf Inc. over its announced intention to suspend the $95 million smelter expansion development at the Kidd Creek mine on the alleged basis that federal and provincial mining taxes require the suspension of all activity?

Hon. Mr. White: Mr. Speaker, I had one such conversation with them almost immediately after the budget; just a day or two after, I think. They expressed some concern about the marginal tax rate. They drew our attention to the fact they were having their annual meeting the following week. I think there have been further conversations between their technical experts and my officials but that is the last such conversation I had with them. I haven't spoken to them since they announced their delay in proceeding with that expansion.

Mr. Lewis: By way of supplementary: How does one deal with a company of this kind which received special dispensations from Ontario in hydro-electric power and in per-unit car transportation costs; had an $8 million DREE grant; is 30 per cent owned by the Canada Development Corp.; and simply halts development of a very important smelting operation in northern Ontario? Can this minister not bring them in and talk to them fairly vigorously about their intentions?

An hon. member: It can nationalize the company.

Mr. Lewis: If it won't do that maybe Ontario and the Canada Development Corp. should do it together as a public venture?

Hon. Mr. White: We are in the process now of drafting the changes in legislation which are necessitated by the government's budgetary policy as announced in my budget. When those details are known, I think I will be in a better position to discuss the matter with the officials of this and other companies. But in the meantime I don't know of any moral suasion that I can bring to bear on the matter.

Mr. Lewis: After all the concessions the minister has given them?

Mr. W. Ferrier: (Cochrane South): A supplementary, Mr. Speaker: Would the minister discuss the provisions in section 113, I think it is, of the Mining Act and see if it is possible to cut back on export permits of ore which may be being refined outside Canada, and see if there is some leverage there to force the company to move ahead with the plans it had announced previous to the taxation decisions by this ministry and by this government and the Ottawa government?

Hon. Mr. White: That is an option which could be considered, no doubt, but I don't want to do anything precipitously. We want to decide upon the details of our own amendments—

Mr. Foulds: Why doesn't he then?

Hon. Mr. White: —and qualify the effect on this and certain other companies and then decide upon an appropriate course of action.

Mr. R. F. Nixon: A supplementary: The minister referred to his discussions with Texasgulf and other companies; have other companies indicated they may cut back their operations as well?

Hon. Mr. White: No, I wouldn't say that, but the half-dozen largest companies whose tax rates are increasing very substantially, naturally enough are not overjoyed at that

prospect. They will be doing internal calculations no doubt about their investment programmes—

Mr. Lewis: Is this intimidation on their part?

Hon. Mr. White: —as, indeed, we are taking a look at a variety of options within the constraints of the budget statement.

Interjections by hon. members.

Mr. Speaker: The hon. member for York South.

Mr. MacDonald: A supplementary, Mr. Speaker—

Mr. J. E. Stokes (Thunder Bay): If the government wants to develop it, it can take the ore bodies away from the company.

Mr. MacDonald: I wouldn't like to persuade the minister to be precipitous, but if the companies are engaging in a thinly disguised intimidation, blackmail—

Mr. Lewis: Sure; bullying.

Mr. MacDonald: —what would be the appropriate word?—isn't it legitimate for the minister to say to them, "You are taking Ontario ore out of the ground; either you smelt it in the Province of Ontario or that is the end of it"? Maybe they will recognize then that the minister is playing tough just as they are playing tough.

Mr. Lewis: Does he remember Allan Lawrence?

Hon. Mr. White: This is an option which obviously is available to us. There are other options and I am not going to fly off the handle as the socialists in this province would have me do.

Mr. E. W. Martel (Sudbury East): Don't knuckle under either.

Mr. MacDonald: The Premier has an option on the gas rollback which he won't exercise. This minister has an option on this which he won't exercise. Are they all paralyzed?

Mr. Lewis: Don't let Texasgulf intimidate the minister.

Mr. MacDonald: Are they running the minister or is the minister running them?

Interjections by hon. members.

Hon. Mr. White: We are going to get a much better comprehension of the situation and then we will decide on an appropriate course of action. If the members think for one minute that Texas Gulf is running me, they've got another think coming.

Interjections by hon. members.

Mr. Martel: The minister should get off his knees.

Mr. Speaker: The member for High Park.

Mr. Shulman: Has the minister not realized that if this company, which is controlled by the Canada Development Corp., gets away with thumbing its nose at the minister's budgetary policies, all the private companies will follow suit?

Hon. Mr. White: I don't think it is thumbing its nose at me. Mr. Turner's budget turned the federal policy around. Several years ago, it had vacated mining tax areas on the political or ethical basis that these resource tax areas rightly belonged to the province. It was quite a surprise to us and no doubt to the mining companies to see the federal government turn its back on that policy without any discussion or prior consultation.

Hon. W. D. McKeough (Minister of Energy): A complete flip-flop.

Hon. Mr. White: A flip-flop, as my hon. friend says. The flip-flop puzzled everybody.

Mr. MacDonald: I wish the minister would either flip or flop but do something on this issue.

Hon. Mr. White: As members know, the flip-flop was flim-flammed when the House of Commons didn't support the government and when Mr. Stanfield is Prime Minister my expectation is that he will go back to the policy as it has been for several years.

Interjections by hon. members.

Mr. Foulds: The minister should know about that.

Mr. MacDonald: That would sit with the minister. He recognizes its appropriateness.

Mr. Lewis: My colleague from Wentworth (Mr. Deans) said there is a word for that, too, but I can't use it in the Legislature.

MEETING WITH IMPERIAL OIL

Mr. Lewis: May I ask one last question of the Premier? Has the Premier met with Imperial Oil about the increase in gas prices tomorrow?

Hon. Mr. Davis: Mr. Speaker, I have not personally met with Imperial Oil.

Mr. Lewis: The Premier is more worldly in these matters than I am; I concede it. Will he tell me why the senior vice-president and director of Imperial Oil and the corporate director for Ontario have asked to meet with me and members of the NDP caucus tomorrow morning at 10 o'clock to explain—

Hon. Mr. Rhodes: They want to see if he is for real.

Mr. Lewis: —the components of the price increase? What does that mean about the likely increase? How do we conduct ourselves in such a meeting? I've never handled that before.

Mr. Stokes: State the government position, when it costs the company four cents per gallon to produce it.

Hon. Mr. Davis: I'm really surprised at that.

Mr. Speaker: Order.

Mr. Lewis: What happens when one smells power so close at hand? How does one cope with it?

Mr. Breithaupt: I suggest the member keep his hands in his own pockets.

Hon. Mr. Davis: I wonder, Mr. Speaker, that the leader of the New Democratic Party really is meeting with them.

Mr. Lewis: I am meeting with them; yes, that is true.

Hon. Mr. Davis: I can't presume to give him advice on how he should handle that meeting tomorrow. I just wish that I were present to listen to how he does handle it.

Mr. Lewis: The Premier wishes they were coming to him as readily as they come to us.

Hon. Mr. Davis: I can only say that I think they have also met with the Minister of Consumer and Commercial Relations (Mr. Clement) here. Perhaps when the member finishes that meeting—

Mr. Lewis: I don't think so. No, I think they know where power lies.

Hon. Mr. Davis: —he will have some greater insight at least into that particular industry. I will be delighted to have his observations when he is finished.

Mr. Lewis: The Premier will have them.

Hon. Mr. Davis: I am sure we will.

Mr. Lewis: I would be very pleased to have the Premier along if he is interested. It's in my office.

Mr. Stokes: Feel free.

Mr. I. Deans (Wentworth): Which is more than the Premier does for us.

Hon. Mr. Davis: I have been at the odd meeting.

Mr. Speaker: Does the member for Scarborough West have further questions?

The hon. member for Sarnia.

Mr. Bullbrook: May I first suggest to the leader of the New Democratic Party that he genuflect and kiss the ring. That is the first thing that is done.

Mr. Lewis: I am wearing the ring.

Mr. Speaker: I might point out that this is the question period.

PETROSAR LTD.

Mr. Bullbrook: I apologize, sir. I have a question in several parts of the Minister of Energy in connection with the now publicized communication from the Premier of Alberta to the chairman of the board of Petrosar Ltd. Could the minister advise whether the government has adopted a policy in connection with this situation? Has such policy been communicated either to the federal government or the government of Alberta? Would one be unduly optimistic in hoping that the policy of the government of Ontario would be that it is not in the best interests of Confederation for a provincial government to restrict the use of its basic natural resources from an interprovincial point of view for the development in a less than altruistic fashion of its interprovincial secondary industries?

Mr. Speaker: That sounds like a question and three supplementaries.

Hon. Mr. McKeough: Mr. Speaker, I think the answer to all four parts of the question would be 'yes'. I'm not sure that I used such flowing language as my friend from Sarnia uses, but the answer is 'yes'.

Mr. Speaker: The hon. member for Port Arthur.

ECONOMIC DEVELOPMENT IN NORTHWESTERN ONTARIO

Mr. Foulds: Mr. Speaker, I have a question of the Minister without Portfolio responsible for municipal affairs within TEIGA. I wonder if the minister could elaborate on the statement he made over the weekend at Sault Ste. Marie with regard to economic development in northwestern Ontario. Specifically, could he indicate if that has any relation to the "action pacts" announced by the federal Minister of Manpower and Immigration, and for what areas of identified need will funding be made available? For example, will transportation, industrial and economic development, municipal infrastructure, social development and housing all be considered in the final announcement?

Hon. D. R. Irvine (Minister without Portfolio): Mr. Speaker, I don't believe there is any further elaboration at this time. I indicated to the people present and to the press that there would be an agreement, we hope, signed in the near future. We will do it in conjunction with the federal government and we are not about to release details of the agreement at this time. We are hopeful that we have persuaded the federal government to move as quickly as possible to sign this agreement with us. At that time, all the municipalities affected, the federal government and ourselves will be present.

Mr. Speaker: The member for Port Arthur.

Mr. Foulds: One supplementary, if I may, Mr. Speaker: What has been the delay, the hangup, in making the joint announcement between the federal and the provincial government? Can the minister take us into his confidence to that extent? Isn't it about time that we had some concrete action? Surely the minister understands the people in northwestern Ontario are frustrated by announcements about announcements?

Hon. Mr. Irvine: Mr. Speaker, I agree wholeheartedly with the member that it is time for concrete action. We are endeavouring to do this. The Treasurer and Minister of Intergovernmental Affairs has, with me, made every effort to clarify any misunderstandings which may exist at present, or have existed in the past, between the federal government and us. There are certain criteria which must be included in the agreement as far as we are concerned, and we are going to stick by those criteria. It's up to the federal government to say either yes or no. We hope it has said yes as of today but I'm not aware that it has.

Mr. Speaker: The hon. member for Rainy River.

Mr. Reid: Will some of the criteria be the same as in regard to the agreement in Cornwall? Secondly, if I may, Mr. Speaker, will the federal election hold up the signing of that agreement or can we expect that before the end of June?

Hon. Mr. Irvine: Mr. Speaker, I would expect the federal election will probably hasten this agreement, if anything. It would be in the interests of the federal government to make sure the agreement went through, I think.

Mr. Speaker: The member for Ottawa East.

WAGE AND PRICE CONTROLS

Mr. Roy: Mr. Speaker, a question of the Premier which is related to some of his earlier answers: In light of the fact he is openly supporting the federal Tories and their major plank is wage and price controls, has he changed his position on that issue? Is he prepared to support wage and price controls?

Hon. Mr. Davis: Mr. Speaker, I don't want to take this occasion to answer a further supplementary question or to make a political speech. I have made it very—

Mr. Roy: Just answer the question.

Hon. Mr. Davis: —clear in this House—although the temptation is very great.

Mr. Reid: Yes or no?

Hon. Mr. Davis: The temptation is very great because the Liberal Party of Ontario is now on record in favour of wage and price controls. That became obvious after the statements this afternoon.

Mr. Roy: No, we are not.

Hon. Mr. Davis: I would only say to the member for Ottawa East—as I've said in this House—this province, this government, is prepared to co-operate with the federal government in logical moves—

Interjection by an hon. member.

Hon. Mr. Davis: —with respect to inflation. I have said that if the federal government, in its wisdom, felt that wage and price controls on a short-term or flexible basis made sense for all Canada, we would not raise any constitutional objection and we would be

prepared to co-operate. I've said that a dozen times and that answer still stands.

Mr. MacDonald: That's a copout.

Interjections by hon. members.

Mr. Lewis: That certainly avoids the issue.

Mr. Roy: Mr. Speaker, if I might ask a supplementary: Does it appear to the Premier that the 90-day freeze as proposed by his federal leader is something that is logical and makes good sense? Secondly, Mr. Speaker, how can he possibly take that position in light of the experience of England and the US?

Hon. Mr. Davis: Mr. Speaker, I really don't think this House is the place to debate the federal election.

Interjections by hon. members.

Hon. Mr. Davis: If the member for Ottawa East, like his leader, wants to go on the record as being in total support of the federal budget and what the federal government has done and is doing about inflation, be it on his own head.

Interjections by hon. members.

Hon. Mr. Davis: I just don't think they have done a job. I don't think their budget comes to grips with it realistically and I have no hesitation in saying so.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Go home and brag about the budget now.

Interjections by hon. members.

Mr. Speaker: Order, please. The member for High Park.

Mr. Shulman: A question of the Minister of Housing, Mr. Speaker.

Hon. Mr. Davis: I still think the member is going after that nomination.

Mr. Lewis: I think the Premier may be right.

Mr. Roy: No way.

Hon. Mr. Davis: I think he must be.

Intejections by hon. members.

Mr. Speaker: Order, please.

Mr. Lewis: Let's have a little order for the member for High Park.

Interjection by an hon. member.

Mr. Lewis: It isn't often the member for High Park gets a chance; now quieten down.

COST OF LAND FOR HOUSING

Mr. Shulman: A question of the Minister of Housing, Mr. Speaker: In view of the comments last night by his colleague, the Minister of Government Services (Mr. Snow) on page 1870-3 of Hansard, during his estimates, that since the government brought in the land speculation tax, "the price of land is continuing to increase," does the minister think that perhaps he should bring in some sort of a tax that would control the price of land?

Mr. MacDonald: Or the Minister of Government Services!

Hon. Mr. Winkler: Out of context. Out of context.

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, I knew the New Democrats felt a little left out of this exchange and would get in sooner or later

Mr. Lewis: Oh no.

Hon. Mr. Handleman: I haven't read my colleague's statements. I didn't bring in the tax. It was the Minister of Revenue (Mr. Meen) who brought in the tax.

Mr. Shulman: But the member is the minister responsible for housing.

Hon. Mr. Handleman: I am responsible for housing, Mr. Speaker, but I would have to examine the statistics which apparently supported my colleague's statement. I will look at those and perhaps respond to the hon. member. It is our feeling, and all the information we have supports it, that housing prices are declining.

Mr. Stokes: But not land.

Hon. Mr. Handleman: I really can't speak with any authority on the price of undeveloped or developed land.

Mr. Stokes: Land prices are not declining.

Mr. Shulman: A supplementary, Mr. Speaker: Inasmuch as the minister's colleague said that his ministry is continuing to buy a great deal of land and that prices continue to increase, does the minister think that the price of housing can somehow be kept down if land continues to increase in price?

Mr. Roy: He will build on water. The minister should tell them he will build on water.

Hon. Mr. Handleman: Mr. Speaker, within a few days we hope to be making an announcement that will have the effect of reducing land prices. My ministry is acquiring land all the time, and I have no indication from my land acquisition officers that the price of land is continuing to increase.

Mr. Breithaupt: The minister had better ask them again.

Mr. Speaker: The hon. member for Rainy River.

NORONTAIR NORTHWEST

Mr. Reid: Thank you, Mr. Speaker. I have a question of the Minister of Transportation and Communications. I might say, Mr. Speaker, I am glad to hear of his announcement today. I've been waiting a long time. But I would like to ask the minister two questions in view of the fact that he suggested it may be a year before the northwestern air service is fully established.

First of all, will there be any interim financial assistance available to carriers between now and that year? Secondly, will individual legs of the system be able to become operational almost immediately, given the fact that airports and planes are available?

Hon. Mr. Rhodes: Yes, Mr. Speaker, we will be making the necessary contacts with the carriers who would be interested to get them to make their proposals to us; and where the facilities are available we will begin the service as quickly as possible. I I think the 12-month idea was in order to get some of the airports up to standards in the communities I mentioned.

The financial involvement, of course, will be a matter for negotiation with the individual carriers as to what degree of subsidy will be involved through the province and through the ministry.

Mr. Speaker: The hon. member for Sudbury East.

Mr. Martel: Mr. Speaker, is it the intention of the ministry to do with this service as it is going to do with the northeastern Ontario service, which we will sell at the end of three years if it makes money or retain if it loses money?

Hon. Mr. Rhodes: Mr. Speaker, that is a supposition on the part of the hon. member. We are not intending to sell the service at all. We intend to continue operating the norOntair service in northeastern Ontario as we have been doing, and we will continue in northwestern Ontario in the same way.

Mr. W. Hodgson (York North): The member for Sudbury East had a dream.

Mr. Speaker: Supplementary?

Mr. Martel: Yes, Mr. Speaker. Is the minister not aware that his predecessor in that portfolio indicated it was the government's intention to opt out at the end of three years?

Hon. Mr. Rhodes: Mr. Speaker, the three-year period is ending and I can assure the hon. member that I have no intention of opting out of that service.

Mr. Singer: What about dial-a-bus?

Hon. Mr. Rhodes: Dial-a-bus in Downsview? Out.

An hon. member: Everybody wants out of Downsview.

Mr. Speaker: The hon. member for Wentworth is next.

BECKER MILK CO.

Mr. Deans: Mr. Speaker, I have a question of the Minister of Labour. Can the minister indicate when he intends to make changes to either the Labour Relations Act or the Employment Standards Act to ensure that the employees of Becker Milk Co. Ltd. and other companies in the same fashion are given the protection that other employees in the Province of Ontario are given?

Hon. F. Guindon (Minister of Labour): Yes, Mr. Speaker, as I have said already, we are reviewing both the Employment Standards Act and the Labour Relations Act, and I propose, of course, to make some amendments to these Acts in the House at the appropriate time. We are working intensively on both of them. I cannot give the hon. member any date as yet.

Insofar as the Becker people are concerned, as the hon. member knows, there is still room for appeal. I think Becker has appealed some of the decisions of Prof. Carter; I would have to refresh my memory on that, but I think that is where it stands.

Mr. Deans: A supplementary question: Is it the intention of the government to establish, by law, the relationship between Becker and its employees as Mr. Carter envisaged it should be? Secondly, were there any representations made to either the Minister of Labour or to anyone else in the ministry from Mr. Stanley Randall on behalf of Becker when he was in the employ of Becker as a labour consultant last year?

Mr. Lewis: It is too much to believe.

Hon. Mr. Guindon: Answering the first part of the question that is exactly what we want to do. We want to define really who is a manager and who is an employee—the employer-employee relationship. That is the question we are delving into at the present time. There have, of course, been representations made to my ministry by both sides.

Mr. MacDonald: Which year and which century?

Mr. Deans: Does that include representations by Stan Randall on behalf of Becker?

Hon. Mr. Guindon: Mr. Speaker, I remember Mr. Randall calling me on the phone and I remember meeting with him on one occasion.

Mr. Foulds: On behalf of Becker?

Mr. Speaker: The hon. Minister of Transportation and Communications has the answer to a question asked previously.

KRAUSS-MAFFEI SYSTEM

Hon. Mr. Rhodes: Thank you, Mr. Speaker. Earlier in the question period the hon. member for York-Forest Hill asked what the cost of widening Lakeshore Rd. would be and who was going to pay for it. Metro has called a large contract to resurface Lakeshore Rd. The total cost of the project is approximately $1.7 million. The widening of the road at each end of the contract, which is necessary as a result of the construction of the GO-Urban service, is estimated to cost $225,000. That amount will be paid by the ministry; the balance will be paid by Metro.

Mr. Speaker: The hon. member for Kitchener.

FIRE IN OHC TOWNHOUSE

Mr. Breithaupt: Mr. Speaker, a question of the Minister of Community and Social Services: Following the tragic fire in which six persons lost their lives in Metro Toronto, can the minister advise if funds can be made available to cover the costs of transportation of the remains of the mother and her four children to the Indian reserve so that this tragedy will at least come to a conclusion that might, in the circumstances, be a happier result than would otherwise be?

Hon. R. Brunelle (Minister of Community and Social Services): Yes, Mr. Speaker, this morning my colleague, the Minister of Housing, brought this to my attention and we are very pleased to provide for the cost of transportation to send those Indians for burial within their reserve near Kenora.

Mr. Speaker: The hon. member for Windsor West.

PROVINCIAL LIBRARY GRANTS

Mr. E. J. Bounsall (Windsor West): A question of the Minister of Colleagues and Universities, Mr. Speaker: Is the minister aware that due to the completion last November of a much larger Windsor public library and the resulting vastly increased expenditure in utilities and maintenance, in order to keep within the eight per cent provincial budget increase in library budgets the Windsor library board has had to cut the book acquisition to one-half; the same sort of cut for acquisitions of recordings; no expenditures at all in the audio-visual area; and it has had to ask its entire library staff to work one week at no salary? Therefore, will the minister ensure that the provincial grant this year can go above the eight per cent, particularly to the Windsor library board?

Hon. Mr. Auld: In answer to the first question, Mr. Speaker, no; and in answer to the second, I'll inquire about it.

Mr. Speaker: The hon. member for Waterloo North.

WATERLOO REGIONAL HEALTH BOARD

Mr. Good: Thank you, Mr. Speaker. A question of the Minister of Health: I think the regional chairman of Waterloo has persuaded council to vote to abolish the regional health board as it now exists—which includes pro-

vincial appointments—and bring the health board completely under regional government. Would there be any change in the grant structure, which is presently 75 per cent, and secondly, are they legally allowed to eliminate the health board?

Hon. F. S. Miller (Minister of Health): Mr. Speaker, I was unaware of this move in the member's area. It's an interesting problem, because we are trying the reverse in the city of Toronto, to get Toronto and the suburbs to come together and get the extra grant. I would think that probably there was cause for a change in the grant if that happened, but prior to making a firm decision I would like to look into it and see what in fact is happening.

Mr. Speaker: The hon. member for Thunder Bay.

NORTHERN ONTARIO MEDICAL STUDENTS

Mr. Stokes: Thank you, Mr. Speaker. I have a question of the Minister of Colleges and Universities. Is the minister prepared to intervene on behalf of applicants from northern Ontario to medical school who are being denied admission to medical courses on the grounds that their academic standing in relation to the academic standing of people who reside within ready distance of the universities obviates the possibility of them enrolling in those particular courses? And, specifically, will he check with the University of Ottawa, which has denied medical students admission to courses on the grounds that they did not in fact qualify because of their relative position, academic-wise, to those living immediately around the Ottawa area?

Hon. Mr. Auld: Mr. Speaker, as the hon. member is aware, the admission requirements for the various universities are set by the universities and there has never been, to my knowledge, any interference on the part of the province in this connection. I do know that there are many more applicants for a number of the courses, including medicine, than there are places.

All I can say is that I will inquire about this, but I would assume that the universities are doing what they have always done, and that is taking a look at the academic standing and other qualifications of the applicants, regardless of their home base.

Mr. Stokes: Supplementary: In view of the fact that there are no medical schools in northern Ontario, and in view of the fact that a good many students aspire to a medical career in the north, where there is such a shortage of them, would the minister inquire to see that there isn't discrimination against applicants from northern Ontario?

Hon. Mr. Auld: I will inquire, Mr. Speaker, but my guess is that any so-called discrimination has nothing to do with place of origin, but rather academic standing; which I think the hon. member would appreciate.

Mr. Stokes: Not necessarily.

Hon. Mr. Auld: I would hesitate even to attempt to suggest to universities that they accept students from a certain area because of the area rather than because of their academic standing, and the likelihood of them graduating effectively. I would not like to be accused of attempting to provide less qualified people in a field particularly as important as medicine.

Mr. Martel: Oh, that is nonsense.

Mr. Reid: Supplementary, Mr. Speaker.

Mr. Speaker: The question period has expired.

Petitions.

Presenting reports.

Motions.

Mr. R. F. Nixon: Mr. Speaker, on a point of order before you proceed. I'd like to bring to your attention, sir, that a group of students from Princeton in Oxford county has just come into the gallery. I know, sir, that you would like to welcome them.

Mr. B. Newman (Windsor - Walkerville): A fine-looking bunch.

Mr. R. F. Nixon: That's in my riding.

Mr. Speaker: Introduction of bills.

COLLEGES AND UNIVERSITIES ACT

Hon. Mr. Auld moves first reading of bill intituled, An Act to amend the Colleges and Universities Act, 1971.

Motion agreed to; first reading of the bill.

Hon. Mr. Auld: Mr. Speaker, as I mentioned in my statement at the opening of the House today, this will establish the Ontario Council on University Affairs by legislation. In reply to a comment from an hon. member, the committee on university affairs was appointed by the minister and had no continuity; it could have been dissolved at any time.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Winkler: Mr. Speaker, before the orders, I would like to table answers to questions 1, 6, 9 and 15. (See appendix, page 2128.

Mr. Breithaupt: Mr. Speaker, before the orders of the day, I am wondering if the House leader could give us some assistance with respect to the ordering of business. It appears as though the health bill may take some time in committee. And Natural Resources in the other committee, of course, is to be followed by Community and Social Services. Since members may well be involved in both of those areas, could some consideration be given to putting another ministry's estimate in committee following Natural Resources? Perhaps it could be from another policy field—such as Consumer and Commercial Relations—so as to avoid the duplication of having the same members involved in both locations?

Hon. Mr. Winkler: Mr. Speaker, that is a very fair request. As the member knows we have tried to keep these areas of concern apart so the same members aren't involved. I will have a look at it and see what arrangement I can make to ameliorate the problem.

Mr. Speaker: Order of the day.

Clerk of the House: The second order, House in committee of the whole.

LAND SPECULATION TAX ACT
(continued)

House in committee on Bill 25, An Act to impose a Tax on Land in respect of certain speculative Transactions affecting the Control or Ownership of Land.

On section 1:

Mr. Chairman: At our last sitting we were beginning discussion on page 3, of subsection (v), I believe. Is there anything on this particular subsection? The member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): On clause (v), which has reference to farming properties in which the family farm corporation isn't involved, would the minister take a few moments to explain to me how he sees that clause working?

Hon. A. K. Meen (Minister of Revenue): Yes, I would be pleased to, Mr. Chairman. It is a rather complicated clause to try to read and understand.

In short, this permits 10 per cent per annum compounded annually on what I choose to call the base price; that is the acquisition price if it was bought after April 9, or the value on April 9 if it was acquired before that date. It is the 10 per cent figure compounded annually from that date forward for each year the farm has been held in farming prior to its disposition.

By the wording of this section it spans inter-family dispositions or inter-family transfers of the title when the farm is kept in farming and when it flows from a father to a son to a grandson and so on; in other words a family farm within the definition of family farm corporation.

This operates to establish the value at the time of the disposition when it is, as prefaced at the beginning, the case of a disposition of farming land to which clause (h) of section 4 does not apply. That looks to the point in time when, after whatever number of these transfers of title may have occurred since April 9, or since the acquisition under a non-4(h) section, the transfer is again made under provision other than section 4(h).

Does that clarify that? I recognize it is rather difficult to understand.

Mr. Lawlor: That helps. I have three questions, basically, arising out of it.

When you say that the allowance is 10 per cent per annum calculated with annual rests, why are you putting in the words "with annual rests"? Is that to exclude compounding factors; or precisely what is the raison d'être of that?

My second question has to do with wording further down, "on the designated land by the transferor making the disposition." Does that mean that if a speculator should get into farming in order to save his hide and take some of the advantages, say there is a tenant farmer who has been working that land for a period of time, since you place your full weight upon the word "transferor," do you mean that the person who actually owns the land or has the prime beneficial interest in the land is the one who must do the farming in order to gain the benefit? Let me put it this way: Does the minister recognize the effect it may have upon the tenant farmer in Ontario; and is he being in any way constricted, overridden or is the minister building into his legislation some kind of caveat against his continued existence?

Third question: If there has to be continuity for the 10-year stretch, what happens

in the case of, say illness on the part of the farmer who also is a transferor over a period of time? Say he is sick for a year; can he pick up the benefit after that period? What if he is not actually farming the land —he is not carying on at all—what happens in that particular context?

Hon. Mr. Meen: Mr. Chairman, I'm sorry, I missed the last question. Would the member care to repeat that?

Mr. Lawlor: Mr. Chairman, it is in regard to illness over a period of time in which he was absent, either through fault of his own or no fault of his own, and unable to follow the continuity of the benefit being conferred by way of deduction in this clause.

Hon. Mr. Meen: Just to answer the last question first—we would not want to penalize the farmer who was ill and for whatever reason had to get somebody in to work his farm for some period of time. The hon. member also asks about "annual rests." That is a term I have seen frequently in various legal documents. It has always been my understanding that was the technical jargon for stopping to add the calculation of interest to the principal to establish a new principal balance upon which the interest rate then compounds; and it indeed establishes a compounding factor.

Mr. Lawlor: It doesn't exclude a compounding factor; it recognizes and affirms.

Hon. Mr. Meen: Yes, indeed.

Mr. Lawlor: How about the second question, the problem of the tenant farmer?

Hon. Mr. Meen: I don't think I had anticipated that we would rule out the possibility of the investor holding a piece of land and keeping it in farming; we want to keep land in farming.

Mr. Lawlor: That's what I thought.

Hon. Mr. Meen: And yet under this arrangement, to permit these other accumulations of the 10 per cent it has to be the farming family that owns the farm and has it under its own tillage.

I'm a little concerned about the matter which the hon. member for Lakeshore raises with respect to illness, though, and I would think that some kind of a period might be provided for by way of regulation that would protect them against that sort of problem when you got out of the family.

Mr. Lawlor: With respect, Mr. Chairman, on this one point, I would ask the minister to advert just a bit more than he is doing at the moment to that tenant farmer situation. He may have not, in his haste to design this complex legislation, given sufficient weight to that factor. I would ask him to mull that one over for a little while too.

Hon. Mr. Meen: I recognize that if the farmer were to lease out the property—

Mr. Lawlor: That's right.

Hon. Mr. Meen: —that would create a break in the period and there would then be a realization of a disposition, if the lease were for a period of years within the description of the lease—10 years or more. I wouldn't expect that would be the case in the instance of farming. But we will give that some further thought and I appreciate the observation made by the member.

Mr. Chairman: The member for Sarnia.

Mr. J. E. Bullbrook (Sarnia): Do I take it then, in response to my colleague the member for Lakeshore, that the minister is saying in effect that he construes the words "carried on" as being an active participation in the actual definition of farming on page 5 of the legislation? The minister wouldn't contemplate the landlord-tenant relationship as exempting the transferor in this situation?

Hon. Mr. Meen: That is right, Mr. Chairman, I would not contemplate that.

Mr. Bullbrook: Just a matter of interest to the minister. As a lawyer, I would think one might have some success in arguing the point that a transferor who was not actively participating but was doing it under some sort of lease arrangement was carrying on farming. I am just wondering if the minister had benefit of advice in connection with the interpretation of those words.

Hon. Mr. Meen: Mr. Chairman, I would say no, I haven't, on that point. This is going to be one of those areas we'll be working with. I noted the observations by the member for Lakeshore, and I note also the observation by the member for Sarnia.

Mr. Bullbrook: Is it possible, recognizing the indulgence of the minister to us with respect to a possible amendment, would it be possible to modify it as a verb by saying: "Was actively carried on on the designated land by the transferor"? That is a suggestion only.

Hon. Mr. Meen: I think, if anything, that tends to worsen the situation. It makes it a little more difficult to provide for the farmer who may be taken ill and require some assistance for a short period of time while perhaps still living in the premises, or the family still being there. I am a bit concerned about the word "actively" being put in, Mr. Chairman.

Mr. Bullbrook: Recognizing, I think, the sympathy of the minister and ourselves to the three points brought up with significant validity by the member for Lakeshore, which we on this side of the House were going to bring up ourselves, do I take it from the rather elastic response that we received from the minister that he doesn't expect a vote on this in its present construction; that we intend to perhaps come back to it afterwards—after some attempt by his senior officials to modify things?

Hon. Mr. Meen: No, I don't think, with all respect to the member for Sarnia, I had intended that. What I said was that there are difficulties, when one puts the bill together from a start with no precedent, in catching everything and resolving one's thinking in all these areas exactly the way we want it. In some instances, such as perhaps this one, it may be necessary to work with it for a while to see how it will work. It may look great in theory but in practice it may turn out rather differently. I would mention that the word "actively" I think would limit us; the way it's provided now he could have a manager, for example, running the farm for him if he had been injured or otherwise wanted to retire from active participation in farming.

Mr. Bullbrook: May I suggest to you that the ingenuity shown by the minister in connection with a rather peremtory evaluation of the impact of this section is nothing compared to the ingenuity the legal profession as a whole and tax experts as a whole will show with respect to not only this entire statute but to this section itself.

I want to invite the consideration of the minister, through you, Mr. Chairman, to the definition of farming itself. If I was called upon tomorrow to advise a speculator how to exempt himself at least in part from the impact of this statute one would ask him, for example, to buy himself a bull and a cow and put them out there. If he in fact does so, the breeding of stock of all kinds in which he is actively participating, perhaps somewhat peripherally, exempts him as a farmer under the exemption section.

Mr. J. R. Breithaupt (Kitchener): Even a couple of rabbits, too.

Mr. Bullbrook: One wonders—even a couple of rabbits! That's carrying it ad absurdum, but it would certainly be more economic, I would think, in the long run.

An hon. member: He'd end up with a lot of rabbits.

Mr. Bullbrook: I really am concerned. As I say, the points to be raised by my colleague the member for Huron-Bruce (Mr. Gaunt), who is completely unhappy with this section, are going to be much more appropriate than mine.

I have to look at this as a lawyer and I want to put it to you directly that as a lawyer, if, tomorrow morning, people came to me in my function as a lawyer—or at least when, perhaps, I'm not a member of this House—and said: "Mr. Bullbrook, I want to buy this land. I want to extricate myself from the impact of that statute," I certainly would invite them to look at the definition of farming.

I want to say to you that the definition of farming, developed in subsection (e) on page 5, put together with the exemption section under subsection (v) here, opens a loophole that every speculator will drive his Cadillac through without any difficulty at all.

I've never been a great spokesman for the agricultural industry. As a matter of fact, my colleague from Huron-Bruce said to me I must have seen the light because I'm very much concerned with the impact of this legislation on farming people in Ontario. We in this party certainly are, all the way.

We know as a matter of fact that any right-thinking person sitting on the government benches is concerned with the ad hoc-ery exemplified by the Treasurer in that moment of glory when he put through the budget and he didn't know for one moment how to implement what he was saying.

Hon. J. White (Treasurer and Minister of Intergovernmental Affairs): I thought your party voted for this bill?

Mr. Bullbrook: The impact on the farm people of Ontario is a significant one. Right off the bat, Mr. Chairman, we have my colleague from Lakeshore who himself would agree that he, like us, cannot hold himself as tremendously knowledgeable with respect to the welfare of the farm population of Ontario, and who can see that this particular statute should never, directly or indirectly,

by any stretch of the imagination have any impact upon the farm people of Ontario who are sincerely operating their land for agricultural purposes.

The problem we face is this, and I say this with the greatest respect—because I have the greatest respect for the Minister of Revenue who has undertaken an extremely delicate and difficult obligation with respect to implementing those pious platitudes of the Treasurer in the budget statement; it was all right for him that day, Mr. Chairman, to stand here and point up to his friends in the gallery and receive the applause of the government benches, but the fact of the matter is he didn't have to write the statute.

I say this to you, Mr. Chairman: It wasn't two weeks before that budget day that he got that bright idea, or somebody gave him that bright idea. We agree with the so-called bright idea in principle. The problem that we face, in good faith with the Minister of Revenue, is to try to write a taxing statute that will be efficacious, that won't have holes in it, that will be equitable, that won't hurt people whom we don't want to hurt; but this isn't what we are doing.

I catalogue for you just one short litany. What about illness? What about continuity? What about the active participation of the transferor? What about the tenant farmer? What about a management contract? What about the definition itself? All those things are contained in this very subsection, the heart of which might affect the agricultural industry in the Province of Ontario.

I have taken the place of the member of Lakeshore, and I shouldn't have, but I think I can speak for him in saying that it is not good enough for the minister to say to us: "We'll pass it in its present form. We'll see how it works." Because as long as we sit in this House, we don't want it to work to the adverse interest of the farming population of Ontario. More important, we don't want to leave these manifest loopholes to permit pure speculation under the guise of so-called agriculture or farming.

Mr. Lawlor: Mr. Chairman, on that point, my main remarks under this head, of course, will be directed to subclause (e) on page 5, but right at the inception of this farming concept I think is the appropriate time to say that this is a door so wide as to drive all the locomotives through. It's the simplest thing in the world.

Have you done this deliberately? Have you left this thing in such a ragtag, bobtail fashion that you can drive a locomotive clean through the centre of your Act? Your Act becomes a completely nugatory and senseless document as things stand. As I say, I shall be presenting to you what I think is a more proper definition of farming in the hope you'll see the light and perhaps adopt it—

Hon. Mr. Meen: Mr. Chairman, on a point of order, certainly I am open to any suggestions, and I will welcome suggestions from the opposition, but I would observe that this is under subclause (e). When we get to the definition of farming we can talk about that there; and I can tell the hon. members, either then or later, where I got that definition and what my expectations are for dealing with it. But right now, sir, I would suggest we are on subclause (b).

Mr. Lawlor: Yes, I think you are right.

Mr. Chairman: The member for Huron-Bruce.

Mr. M. Gaunt (Huron-Bruce): Mr. Chairman, I think one of the problems in this legislation is that the government and the minister have not recognized the difference between an investor and a speculator. The farmer is an investor and not a speculator, and I propose, when we get to section 4(h) of the bill, to put forward an amendment that will make this particular section redundant.

However, I would have to say to the minister that the way this bill is drawn certainly leaves the door wide open, as the member for Lakeshore and the member for Sarnia have said. There is no question in my mind, given subsection (v) and the definition under section (e) that every speculator in the Province of Ontario will be out getting himself a plot of land or a farm—

Mr. Lawlor: A few pigeons.

Mr. Gaunt: —a few pigeons and a few rabbits, and he'll classify himself as a farmer—

Mr. R. F. Nixon (Leader of the Opposition): Or a pear tree.

Mr. Breithaupt: Or even two bees.

Mr. Gaunt: —when in actual fact he is a speculator. I say frankly to the minister that we are going to have to tighten up this bill in that regard, because what it is going to do—

Mr. V. M. Singer (Downsview): On a point of order, Mr. Chairman, I don't think there is a quorum in the House. Maybe we can get the Treasurer back in if we ring the bells.

Mr. Bullbrook: Why don't we get some of the rural people from the Conservative benches—

Mr. Singer: Yes, who are so upset.

Mr. Bullbrook: —who should be concerned about this and should speak about it?

Mr. Breithaupt: They have given up.

Mr. Singer: A special quorum call for the Treasurer.

Mr. T. P. Reid (Rainy River): It's probably pretty deep for some of them, though.

Mr. Chairman: We will call in the members.

Mr. Singer: Does that mean the Treasurer too?

Mr. Chairman: That isn't covered by regulation.

Mr. Chairman ordered that the bells be rung for four minutes.

Mr. Chairman: Order, please. We will count again.

Clerk of the House: Mr. Chairman, there are 28 members present.

Mr. Chairman: The hon. member for Huron-Bruce.

Mr. Gaunt: Thank you, Mr. Chairman. I was indicating to the minister that I felt the way this particular bill is drawn provides a great loophole for the speculator. I think in most areas he's blocked off to an extent. But in this area, in the case of the application to farm land, I feel the door is wide open. I think many lawyers who would be advising their clients with respect to this bill would say: "Well, I'll tell you one avenue you can pursue, and that's to buy yourself a farm. In that way you're going to get out from under this particular tax."

I feel the minister is certainly going to have to tighten up on the definitions section. I think there are other areas as well which are going to have to be given some consideration.

For instance, the minister says one of the ideas behind the bill is to keep people in farming. That is good, it's laudatory. But I am suggesting to him that it is going to do the exact opposite, and I will tell you why. With the bill as it presently stands and the loopholes to which several hon. members have referred, the speculators are going to go out to rural Ontario and they are going to buy themseves packages of land, which is going to drive the prices up for the bona fide farmer who is trying to make a living on the farm. If that continues to happen over the course of several years, the farmers who are interested in farming, the bona fide farmers, are going to find themselves in the position where they are not going to be able to afford the land for farming purposes because the return on that land will not equate with the buying price. So they are going to be placed in the position where they won't be able to buy the land for farming purposes because of the situation where the speculators have driven up the price.

I say to the minister this is a serious matter and one which I suggest he should give more consideration to, because I think the—

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Is that going to affect the people who are on the land now?

Mr. Bullbrook: He didn't say it would.

Mr. Gaunt: No, it won't. But it will affect the people trying to get into the business of farming; and indeed the average age of our farmers across this province is over 50, so in the next few years there is going to be a fairly severe attrition rate. The only way that we can continue to maintain our agricultural production is to bring more people into the farming business, and we can't do that if land prices on the farm skyrocket to the point where they can't make a living by farming. So I say to the minister that—

Mr. Bullbrook: This is the insidious part of this bill.

Mr. Gaunt: This is a very insidious thing and I think this particular section should be sent back to your draftsmen and redone. I think it should be given further consideration, because the way it stands now you are in serious trouble and we are in serious trouble in this province.

Hon. Mr. Meen: I would like to ask, on a point of clarification Mr. Chairman, is the hon. member talking about subclause (v) or is he talking about the definition of farming?

Mr. Gaunt: I am talking about both.

Hon. Mr. Meen: Everything I have heard so far has been farming as applied to subclause (v) and I think we can talk about the definition—

Mr. Bullbrook: On a point of order. I neglected to rise when the minister made this original point of order. It is impossible for us to vote intelligently on the passage of subclause (v) if we don't take into consideration the definition of farming.

Mr. Gaunt: But section 4(h) comes in too.

Mr. Bullbrook: And 4(h), I'm sorry; 4(h) comes in there too.

Mr. Gaunt: Right, it is all a package.

Mr. Bullbrook: I don't see how, with the greatest respect, we can possibly evaluate the impact of one subsection without looking at the bill as a whole.

Mr. Chairman: We can't keep jumping all over the bill either.

Mr. Singer: Mr. Chairman, as my colleague says—

Mr. Chairman: I thought the hon. member had an amendment or was going to propose an amendment?

Mr. Gaunt: No.

Mr. Chairman: Oh, I see.

Mr. Singer: Mr. Chairman, I rise in support—and very, very strong support—of what my colleagues have been saying. I draw to the minister's attention his rather peculiar remarks when he quoted with apparent relish a portion of the speech I made on second reading, and I repeat the comments I made then and I say that the minister is wrong, as my two colleagues have just said. I wish the minister would listen to his own rural members such as the hon. member for York North (Mr. W. Hodgson), and the hon. member for Victoria-Haliburton (Mr. R. G. Hodgson). The minister has a number of members over there representing farm areas—

An hon. member: The minister knows that.

Mr. Singer: —and they are incensed with the provisions that you have for farmers. What fairness is there when you bring this forward and persecute one segment of the economy? None at all. You exempt farmers if their land is taken for expropriation. If farmer A happens to be just within an expropriation line and his colleague, farmer B, just outside it, even though both portions of land have been farmed for three or four or five generations, one is going to be assessed at a 50 per cent tax rate and the other isn't by reason of the accident of somebody drawing a line on a map.

Does that make any sense to you? If a farm has been in a family for many generations and eventually it comes to the point where either there is nobody to continue the farming because that particular branch of the family has not produced people who want to stay on the farm or there is nobody left, does it make any sense that that land which has been kept in production should be picked on in that way?

Certainly there is a line to walk. If somebody goes on under the guise of farming and puts on a crop of hay for a few months and then speculates, that kind of person should be hit. But surely you can come up with some kind of formula, as you've reached for now in your amendments in relation to small income-returning buildings. Surely you can come up with some kind of gradation there and look after people who have farmed a particular section of land for several generations. Surely they are entitled to the fruits of their labours and the fruits of their ancestors' labours. You are taking that away from them; that's what you are doing.

It's all very well to poke fun, and it's all very well for the Treasurer to pop off again. He gave you a legacy that you're finding it very hard to live with; and I wish he was here to help protect you in this, because you are taking an unfair shellacking. You are the one who has been charged with the burden of trying to put this through.

Stand with your own rural members. Speak to the Minister of Agriculture and Food (Mr. Stewart) or his parliamentary assistant or the few rural members who are here in the House now, the member for Peel South (Mr. Kennedy), and the member for Glengarry (Mr. Villeneuve). All of those people are getting the same kind of reaction from their constituents that we are trying to express to you.

Who do you listen to when you get at this kind of drafting? Those three sections that my colleague just referred to, subclause (v) and the definition of farming and then section 4(h), all tie into a package. I urge the minister to take those three sections back, look at them again, come in with some kind of gradation, depending on the length of time a particular property has stayed in farming use, and make some reasonale kind of an exemption.

We don't want a blanket exemption. We don't want people to be able to continue in the guise and escape their proper responsibilities under speculators' taxes or any other kind of taxes by putting on a crop of hay and

saying I am now a farmer. But we do feel that important consideration has to be given to those families which have owned a piece of farm property and farmed it through several generations. You are ignoring that, and I say it's unfair. I say you are needlessly persecuting an important segment of the Ontario community.

Mr. Breithaupt: Mr. Chairman, I too would like to follow the remarks made by my colleagues with respect to the matter of the definition and practical result of the use of the word "farming" in this statute. I think that it is important for us to—

Mr. Chairman: Order please. I think whatever definition is arrived at later will have to apply to this.

Mr. Singer: No, but it's a package, Mr. Chairman.

Mr. Chairman: Well, let's dispose of this subclause (v) first of all. Then we can get to a definition of farming.

Mr. Breithaupt: Mr. Chairman, it's very difficult to dispose of a section this way when we don't know what its result will be.

Mr. Chairman: You are talking about farming in this section, it seems to me.

Mr. Bullbrook: I'm going to rise on a point of order, and I'm going to rise most respectfully to you, Mr. Chairman, to point out the word farming is used in the clause which is the subject of our present debate. Do you agree with that Mr. Chairman? The word "farming" is used?

Mr. Chairman: In this particular subclause?

Mr. Bullbrook: It is. Is there anything in the rules that says we cannot refer to a definition of farming in the same statute? We are not debating what definition should be in there at the present time. Nobody has put forward a substitutional definition. We are debating the impact of the defined word "farming" in the subclause. I most respectfully suggest to you it is not out of order.

Mr. Breithaupt: Mr. Chairman, I have noted with great interest the fact that a number of members have joined into the debate in this area. It would appear that certainly not all of us, the member for Downsview or the member for Sarnia or I, are involved in directly representing a large number of farmers as constituents. Our interest here is to ensure that the best possible taxing statute can arise from what we are deliberating.

It has been unfortunate in this debate so far, Mr. Chairman, that here have been occasions for a number of quorum calls. It appears as though a large number of the members of the House have not interested themselves in this particular debate.

Mr. Chairman: Order, please. That has nothing to do with this. The member must realize there are two other committees sitting.

Mr. Breithaupt: I realize that, Mr. Chairman, and this is what I was coming to.

It's not necessarily that they have been unwilling to be here. They have been unable to be here for other reasons, but the difficulty is going to be when perhaps we are called to vote upon this section. Members may come in and not realize the particular depth of problem they are being called to vote upon when they come either to support or oppose these various subsections. This matter is all of a piece when we are looking at the matter of the future development of farming within the province.

I suggest to the minister that we must deal with these particular areas altogether; that is not only this subclause (v) but also when we press on to the definition of farming, subsection (e) in this same section, and then the matter set out in subsection (h) of section 4 which deals with designated lands and their disposition.

I would appreciate hearing from the minister how he feels this kind of situation of applying the tax to disposition is going to affect the future development of the principles of the use of farming land in the province, to which I think we all subscribe.

Hon. Mr. Meen: Mr. Chairman, subclause (v) is conceived really to provide a number of things along with the other provisions in the Act. It permits the flow of a family farm from generation to generation without ever attracting tax. It allows the compounding of the 10 per cent per annum back to the time when it was first acquired on an arm's-length transaction or at April 9, if it happened to have been acquired prior to that date. We are allowing that as the base value and the interest is computed on that; ergo, we have allowed all capital appreciation up to that time free of any tax.

It's not unreasonable, I suggest, that we take that as the date, or the date of acquisition if it should be later, and roll up the

10 per cent per annum from there. When eventually the farm is sold, if it's a non-section 4 sub (h) transaction and therefore out of the family, even if it is sold for continued farming purposes, it's our belief—and I subscribe to this—that the farmer will then be deemed to have taken his capital appreciation. If it exceeds the 10 per cent roll-over allowance per year from his base price at acquisition or April 9 or 10, it seems to me that's a very reasonable way to do it.

He may be selling it to a developer, he may be selling it to another farmer; but when he isn't selling it within the family I think we have to presume he's going to get his proportionate share of any additional increase. His adjusted acquisition value has all these credits built into it.

I might just observe that I have talked to quite a number of my colleagues on this side of the House who represent rural constituencies and I think they are all comparatively satisfied that the provisions for the farming community are very generous indeed. They are there and in place in a fashion which will be an incentive to stay on the farm and make a dollar's profit for a dollar's work. This, of course, is what we are anxious to do as well as not impede appropriate development for housing purposes in due course if such should be appropriate.

Mr. Bullbrook: I think now we have come to the very nub of things and I want, through the chairman, to address myself to the minister. Without being melodramatic I want to address myself to the agricultural community of the Province of Ontario as someone who doesn't act as their advocate very often.

The minister talks about a capital accretion and we have a statute on the books of the government of Canada that takes care of the taxing of capital accretions. The purpose of this statute is not to tax capital accretions. The purpose of this Act is to tax speculative transactions.

Mr. R. F. Nixon: You are calling the farmer a speculator.

Mr. Bullbrook: This is the essence of what the minister and the Treasurer do not understand in the insidious aspect of this statute.

Now let's take the designated value day and let's say that a year from the designated value day the farmer is approached, because of urbanization or any other reason in the world, and is entitled to make a profit on the sale of his land. I say to the minister that he is caught up as far as capital accretion is concerned, by the Income Tax Act of Canada. But I say to you without reservation, Mr. Chairman, that man is not a speculator—and the minister can stand in this House all day and debate the exemptions.

The exemptions have been brought about as a result of the recognition by the government that some relief had to be given; and so a formula was developed to give the farmer some relief. Section 4(h) gives him total relief in connection with transfers as far as agricultural use is concerned.

But I implore the minister, I implore the members of the government, to recognize that the person who is caught up with a tax on a speculative transaction is no more a speculator than am I, and I can assure you I am not.

The point is we must be fair to the farming community. This is unfair entirely; notwithstanding some conscientious attempt to take away the tax impact under the statute. We don't have to do that. Surely we have the ability to recognize the farmer's farm land as part of their livelihood and if collaterally, after generations of developing that land, they have the good fortune to sell that land at a significant capital accretion, then they are going to pay the government of Canada, and eventually the government of Ontario, the tax on that capital accretion from the time that that tax came into being on Jan. 1, 1972, I believe it was.

That is an equitable tax and the farm community didn't resist that tax. And very few people stood in the House of Commons in Ottawa and tried to resist that tax, because it was a tax that said a dollar for a dollar. But goodness gracious, for us to have to stand in this House and for a moment attempt to develop a formula to extricate the farmers from a tax they never should be involved with, that's incredible.

I implore the minister to think of my example again. Suppose a farm has been in the family for 50 years, 100 years, even 200 years, and under this statute, and because of pressures over which the farmer has no control or direction, somebody comes and says: "We require your farm and we are prepared at arm's length to buy your farm." By any stretch of the imagination can that farmer be considered a speculator? He can't be considered a speculator.

Why are we playing games with exemptions for him? The man is not a speculator.

The purpose of this tax, again according to the Treasurer, and again why we supported it in principle, is to properly tax at a very high and effective rate those people who speculate with land values in the Province of Ontario.

I for one want to tell the minister this: I hope we on this side of the House divide on this section. I think it is the most nefarious section among many nefarious sections in this bill.

The farmers of Ontario, with sincerity and integrity of purpose, have carried on their operations for generations. To call them, in effect, speculators does them an injustice that this government will never remove from the escutcheon of the Progressive Conservative Party. I can assure the minister of that. Don't fool around for one moment with exemptions. This government doesn't need exemptions for farm people; they are not speculators.

Mr. Lawlor: Mr. Chairman, I have a banal confession to make. I don't understand the section at all. I sit here and peruse it. I want this to be parsed for my denuded understanding. This is a situation where the transferor is not a family, or the person to whom it has been transferred is not a family corporation, or a family within that very wide definition—nieces, nephews, uncles and aunts and all the rest of it—that has been set up. The minister wants to retain the land in farming and as long as it is retained in farming there are some benefits going to accrue, but it is not within the so-called family concept. That's where we start. And then you get down and you say that this benefit or deduction of 10 per cent per annum, cumulative, is to be a benefit conferred on the transferor making the disposition to which clause (h) or section 4 does not apply.

That is one. You have four other categories, and I must take them one at a time and ask why and wherefor are they. "Or by any previous transferror of whose family the transferror making the disposition to which clause (h) of section 4 does not apply was a member." What's that all about? Why have you got that? What are you thinking of?

Hon. Mr. Meen: The definition comes farther along, Mr. Chairman, as to the members of the family. The hon. member will see that in subclause (g) at the top of page 6. What this really does is to permit the chain of events I outlined earlier, the father to son to grandson to great-grandson, and what not; or off to a brother or a sister or whatever; within the family, as the hon. member will see. This, as I also indicated—I think he agrees—is very complicated, but what it does is permit the transfers to all these on the assumption they are not arm's length, and therefore a disposition doesn't take place on occurrence of one of those events, but only when it is not under section 4(h). Outside that, beyond members of the family or a family farm, then the disposition is deemed to take place and at that time you work your way back at yearly intervals to the base price at the 10 per cent per annum.

I might just observe that it seems to me if 10 per cent per annum compounded, after you have given allowances for cost — and remember that the farm would be a money-making proposition to some degree; and the farmers are having a somewhat better life of it these days, and that is fortunate to see, they have been long overdue in that score—but if they are making some money out of this farm they are still entitled to the accumulation rate at 10 per cent per annum on the base price—

Mr. R. F. Ruston (Essex-Kent) That is going to change after next year.

Hon. Mr. Meen: —which means that after seven years a $100,000 farm has gone to $200,000, and in another seven years has gone to $400,000. If that isn't sufficient profit and allowance, then frankly I don't know what is. And if the farmer makes more than that then perhaps he could be properly classed, to the degree of the excess, in the category of a speculator—

Mrs. M. Campbell (St. George): Oh, no.

Hon. Mr. Meen: —and on that basis then might be expected to pay some tax.

You are asking us to block the loopholes. On the other hand you are asking me to put in an even larger exemption than ever. Frankly, what we are talking about here is the provision in subclause (v), Mr. Chairman, which provides for these transactions to pass without tax, and yet I hear that the poor old farmer is getting a tough time of it and he should be exempted. We are looking at this within the family, and with respect I think this could be—

Mr. Bullbrook: No, no. Let me resist that for a moment, because I won't be deflected by that type of specious argument. May I say —and I'll only be a moment, I can assure the member for Lakeshore—you can't have it both ways.

You are saying we want to exempt farmers, yet we are complaining about the loopholes. May I say to you that it is a two-fold proposition. We want to exempt bona fide farmers; but we also want to say, if you look at the definition of farmers there will be people who will exempt themselves as farmers who are not bona fide farmers; and those are two mutually exclusive points.

An hon. member: Good point.

An hon. member: Right.

Mr. Lawlor: Let me come back on it please, Mr. Chairman. Is this clause designed with respect to lands that are going out of farming, or is it partially designed, as I read it, to retain properties in farming but falling outside certain groups?

Hon. Mr. Meen: Right, it is. In short, Mr. Chairman, it is designed to protect the family farm flowing from father to son to grandson, so if it goes out of farming, then there would be a disposition, because it would not then be a disposition within section 4(h).

Mr. Lawlor: Right.

Hon. Mr. Meen: But if it stays in the family, then the carry-through of the accretions of allowances is complete and it does not attract a tax.

Mr. Lawlor: Did the hon. minister ever read the lines from John Milton of something about a "horrible confusion upon confusion rose"? I hope the confusion is all in my mind and not just in that of John Milton's or the minister's.

But if that is the purpose, I take it that if land is going to be retained in farming within the family unit, you have that completely covered by way of exemption, period. If it is not going to remain within the family, then it comes outside of the exemption; if it is not going to remain in farming, then it obviously is taxable as it passes out of farming into some other form of, let us say speculation. And I take it those two contingencies and the second proposition are covered by this section.

All right. I won't worry you like an Irish terrier about what I didn't understand as to your explanation about point one just a moment ago.

Let us go on to point two: "... or by any previous transferor of whose family the transferor making the disposition"—that's the one I read, I'm sorry.

Let's take the next one: ".... or by members of the family of such previous transferor ..." If this is caught within the family unit why doesn't section 4(h) simply apply and this clause—what's that super added for? What is it referring to? Who is this previous transferor?

Hon. Mr. Meen: The previous transferor in this case, Mr. Chairman, would be, let's say in my illustration given earlier, the father transferring to the son. Perhaps he got it from his grandfather, all in this period of time.

Mr. Lawlor: But that is covered in section 4(h), isn't it? What is the point in here?

Hon. Mr. Meen: I think the intention is to make sure there is no implication throughout this whole transfer of events and that you have—what we are dealing with is the "10 per cent compounded annually." And you'll see it here: "At the rate of 10 per cent per annum calculated with annual rests upon the amount determined under i and ii, whichever is applicable":

And I think you can go all the way down here—"or by any previous transferor." Now I think the hon. member can see there could be a series of transactions within the family.

Mr. Lawlor: Yes, all of which are exempt.

Hon. Mr. Meen: All of which you look through in computing the interest.

Mr. Lawlor: As long as that land stays in farming it is exempt.

Mr. Meen: Within the family.

Mr. Lawlor: Yes. I don't see the benefit to the 10 per cent. I suppose you could argue this way, that if it stays in the family for three years then they get in that three-year cumulative period a little in excess of 30 per cent and if it goes out of farming, from the family, then they've still got the benefit of that much. Is that what the basic argument is?

Hon. Mr. Meen: We haven't looked at any specific three-year period as I am proposing to do with respect to investment properties, Mr. Chairman. But through whatever period we are talking we have the 10 per cent cumulative rollup and at the time of the disposition on an arm's length transaction—i.e., not a section 4(h) transaction—then one looks back over the period of years involved. Or if it should go out of farming then it would not be a section 4(h) transaction.

Mr. Lawlor: The horrible confusion is lifting, the fog is dissipating. I am beginning to

see what the minister is trying to do. He's doing it very badly; thank you, Mr. Chairman.

Mr. R. F. Nixon: Go ahead.

Mr. W. Hodgson (York North): Mr. Chairman, I would like to say a few words on this section of the bill.

I think for the most part this bill is good; it's trying to get at a certain type of farmer and is exempting that certain type of farm as long as it stays within the family for years and years. If he should happen to be lucky enough to live until he is 70 years old, if he is 62 now, and he carries on farming, he would be exempted pretty well.

In the area I live in there are many farmers who call themselves farmers but who are not really farmers. For example, we have a lot of Toronto people coming up there now, investing their money and using farms for estate homes. They maintain the property fairly well, but to qualify as a farmer all a man has to do is make $2,000 of gross income from that particular farm and he can make $200,000 away from the farm.

Mr. R. F. Nixon: He gets that in the tax rebates.

Mr. W. Hodgson: But he will be exempted to the tune of 50 per cent of what his farm is evaluated at on April 9, and seven years from now he won't have to pay a penalty at all. He can also transfer it to a son and he can carry on in the same manner for a number of years, and this is the part of the bill I don't agree with.

My concern is about the bona fide farmer. That is the farmer who has farmed for—you could state a period; I think there should be a time stated in the bill and I wish the minister would give this some consideration —for 15 or 20 years; I don't care, 25 years if you want to go back that far.

But the big thing that I think should be in there to make this bill workable is that 75 per cent of his gross income has to be derived from farming in that period, whatever the period of time is.

As I said, it is the legitimate farmer I am concerned about. I feel that if he has made his living off the farm for 15 or 20 years or it has been in the family from generation to generation, and a generation really doesn't matter if he has been a legitimate farmer in the Province of Ontario, he has had a tough time of it over the last 25 years. If anybody wants to come along and buy his farm and he has farmed it this long and made 75 per cent of his gross income off the farm, I think he should be exempted and it should be noted in your bill.

If he has farmed a farm for 15 years, and has derived 75 per cent of his gross income, why not just write him off and make him exempt?

Mr. R. F. Nixon: Mr. Chairman, the hon. member for York North and the hon. member for Sarnia put the case very strongly and with a legitimate connotation that can be supported on all sides. When the minister started in on this, he said, tell us how we can improve the bill. I would submit to you, Mr. Chairman, that he has had some specific advice on that, public advice from his own supporters and from those who are not normally in that list.

There are really three sections that deal with the matter to which the hon. member who just sat down referred. It's very difficult to determine where the amendments should come, but in our view it appears that subsection h of section 4 is the most convenient way to put in an amendment which would at least deal in part with the suggestion that has been put forward with good sense by the members who have already spoken.

I would say to you, Mr. Chairman, that it is clear that the minister does not exempt farmers from the classification of speculator, no matter how long they hold the land, if they sell it out of agriculture. The principle of the bill deals with speculative profits and we are concerned with those people who you might say are in the land deal and out of it when the price is right; and as somebody has said, by gosh the price has been right indeed.

We hear of unconscionable, unsupportable, greedy profits that have been made by those people who have no interest in the land, no interest in the home, but simply in the profit they can get by buying the land as cheaply as they can from a farmer and selling it to a developer without adding any value to it whatsoever.

The point has been strongly made about a bona fide farmer. You can classify him any way you choose in amendments that have been proposed. Indicating that his income should be 75 per cent derived from the land would be okay as far as we are concerned. Certainly that would separate the wheat from the chaff in no uncertain terms. A lot of people who think of themselves as farmers would be excluded, but at least it would be a device recognized by the people in the community as a tough test, that if you make 75 per cent of your income off the land, you are indeed a farmer. That is one amendment that could be brought forward certainly.

The member has indicated that there should be a time limit established. We are proposing in our amendment 10 years, when it will be brought forward by my colleague from Huron-Bruce. If it would be more convenient or if the minister would advise that he would feel better with 15 years, perhaps we would consider that. We think that 10 years is a sufficiently long time to establish a bona fide farming commitment. Subsection (v) on page 3 is the indication of government policy that the farmer, no matter how long he holds the land, is in fact not excluded.

The Premier (Mr. Davis) in talking about it, and the minister just a moment ago, said he feels he has been fair in giving us a 10 per cent increase in value compounded yearly, which means that it would double in seven and a half years, I believe. That simply means the farmer is designated as a speculator even though he has operated that land for 10 years or many more years.

It is our view there should be an across-the-board exemption for a bona fide farmer, who is not a speculator, and that this should be made clear in the bill along the lines expressed by the hon. member for York North and also expressed privately by other members who are normally in support of the minister and will be again if he were to bring forward such an amendment.

The member for Sarnia has made an impassioned plea, and it could not be put more effectively in my view, that the House divide on this subclause and maybe we should. We are really interested in having the bill improved in this respect. In my view, subclause (v), if that is how it is properly designated, becomes redundant and therefore it should be removed from the bill at this time, if at the same time section 4 subsection (h) is amended along the lines that have been described by a number of speakers.

I don't believe it is necessary for us to have a division on the bill on all three of those sections, although if anybody feels we should, we can go along with that. There are these three sections which deal with the farming community and I would hope the minister would take the advice which has come to him, I hope rationally and reasonably, from all sides and bring about an amendment which means that all sides can support that concept, and that is, the removal of the bona fide farmer from the provisions of the bill whatever the disposition of his land.

If he falls in a period less than the 10-year limit we are proposing, or whatever the minister might consider then his 10 per cent a year might apply after a period of perhaps three years, if his bona fides are established, by the provision of the bill.

Mr. Chairman, I ask the minister to consider this. He has said he will and I believe he will; we await on his intelligence in this regard.

Hon. Mr. Meen: I find the observations by the members for York North and for Brant (Mr. R. F. Nixon) and others who have spoken on this thing very interesting.

I am not sure, Mr. Chairman, that an amendment to 4(h) would be the way to accomplish that. I am quite sincere, and I am sure the hon. members realize this, when I say if we can improve this bill in any way I am only too happy to do it.

We still haven't got to subclause (e), which is the definition of farming. I am first to say that I think it leaves something to be desired in its rather limited form. It is the form exactly as it appears now in the Succession Duty Act. We have a variety of definitions of farming and farm operations in our various statutes. This is a fairly straightforward definition. If, as the member for Huron-Bruce said, you could drive a speculator's truck through it, perhaps there is some merit in doing something about that definition now.

We are awaiting the result of the study of the final report of the farm classification committee. In that report I understand they have a far more elaborate definition of what constitutes farming and farm operations. If that will overcome the problem expressed by my colleague from York North—

Mr. Lawlor: Why don't you mention I just finished showing it to you?

Hon. Mr. Meen: —of the Bay St. farmer who is interested more in speculating than in anything else, that might be the way to do it.

On the other hand, the suggestion made by the member for Brant I think is a good one and he is following up on what my colleague from York North has said about this. The principle we adopted in the proposed amendment, which the members have in their reprinted copies for use in the committee, concerning investment properties might be something which could be adopted to this on a scaled basis of 15 years or something.

My concern is that if we do that it is really amazing just what the implications are for a dozen, possibly more, little subsections

here and there. I would want my law officers to satisfy themselves that in adopting some position of that sort we didn't emasculate some of these other provisions. I don't want to hurt the farmers in the scheme provided under subclause (v). I would like to see that as the minimum which they would get and I sense that is the feeling of all members of this House.

What I would suggest is that we could approve subclause (v); but when we get to the definition of farming, or as my people have advised me—and this shows you how complicated this can be—it might be more appropriate to include it as a part of the new section 20. Members will get to it in due course. That is the one dealing with rental accommodation and the credits.

If we do that and I advise the committee that we have created a form of redundancy in this subsection or some others, we can return and make the appropriate amendments to those subsections. Now on that understanding, since I let the hon. members have copies of mine, I would also ask them if they would they be good enough to let me have a copy of theirs so we can study them and determine to what extent they are directly appropriate; and perhaps they may need some shimming up by way of the skills that can be provided by my tax experts.

Mr. W. Hodgson: Mr. Chairman, on this particular section, I'd like to point out to the minister that in the way it is now written we are more or less playing into the speculators' hands. You know, a speculator can buy a farm and keep it for seven years, and he can qualify as a farmer simply by buying $2,000 worth of cattle today and selling them tomorrow, thereby getting a gross income of $2,000 and immediately qualifying for 50 per cent of his taxes back. In seven years' time he could double the price of his farm and not pay any speculation tax. So it is very important that we put in a figure for gross income from the farm.

Hon. Mr. Meen: What the hon. member is talking about, and I can see the point he is making—but with respect, I think it is not under sub-subclause (v), it is really when we get over to subclause (e) and to defining farming—

Mr. W. Hodgson: Yes, I know, but—

Hon. Mr. Meen: But if I get any redundancies I want the committee to understand I want the right to come back to fix this.

Mr. Bullbrook: Yes, no more passion then. Do I understand correctly from the minister that we will stand down for further consideration, sub-subclause (v), the definition section (e), and section 4(h), pending your having the opportunity of taking the advice of your people in the context of the remarks—

Hon. Mr. Meen: Mr. Chairman, no, I am not suggesting that. I am saying that there might well be others which we don't anticipate.

Mr. Singer: Well then, you are in trouble.

Hon. Mr. Meen: If I change the definition in section (e), if we find some way to strengthen section (e), if in fact it is weak, then that doesn't necessarily alter sub-subclause (v), but it could be that we would find some other subsections. It is just incredible what alterations can show up once you fake some little change somewhere else. So I don't want to limit it to subclause—

Mr. Bullbrook: Mr. Chairman, may I say to the minister I find it incredible, especially when I hearken back to his rising on a point of order and asking the Chairman if we were debating section (e) while we were talking about sub-subclause (v).

The very point of a taxing statute is that we can't debate one section without having reference to another section. It is absolutely impossible. We recognize that the impact of a definition or the impact of an amendment on one section might be significant on another.

But the point I want to make, and the point the member for York North made so well on his second rising, is that if we vote in favour of your subsection, we are voting in favour of the principle that a bona fide farmer is a speculator. That's why we can't vote in favour of it.

I implore you to stand down sub-subclause (v), stand down (e), stand down section 4(h), and we'll go our merry way with other things that I don't think are as important.

If you are going to ask us to support this particular section, I for one can't do it. Notwithstanding an attempt to exempt farmers in certain circumstances, the very attempt to exempt the farmer begins with the premise that a farmer is a speculator—and a bona fide farmer is not a speculator.

I implore you again: Please stand down these subsections. We'll get our heads together; I think we are of one mind in what we intend to do. I suggest to you that otherwise, you are not inviting disaster, but

surely you are inviting me, for one, to stand up on a matter of the principle of including farmers as speculators.

Mr. Singer: Is the minister not going to respond to that?

Well, let me just add a word or two to what my colleague from Samia has said. The minister brought in this Act and when he introduced it he announced that he would anticipate that the Act was going to have to go through many changes; and after second reading we had more changes than we had Acts. We are still at it, and we haven't really got very far in two full days of debate.

What the minister has in mind, I am afraid—and I apologize, Mr. Chairman, if I am imputing motives to him—is to get through this bill and get something on to the statute books. Well along with my colleagues, we will not vote in favour of putting something on the statute books with the promise of a future amendment.

There is a serious farm problem; it involves three sections, and this is the first one. Unless the minister is prepared to accept the reasonable suggestion put forward by my colleague, that he withdraw these three for the moment and come back with another farm package to let us have a look at it this evening or tomorrow or whenever this bill is called for debate, then we are going to have to do the same thing with this section, with the definition section and with section 4(h).

It's a very simple and logical suggestion. It's a badly drafted bill. The minister for some reason brought in this bill which was inexpertly prepared. It hadn't taken into consideration all of the ramifications it should have and to expect us to go along with a promise of a future amendment, I say is expecting far too much. We just can't go along with that suggestion.

The alternative is a reasonable one. I urge the minister to accept that alternative.

Hon. Mr. Meen: On the contrary, Mr. Chairman, I suggest the alternative which I have proposed is a reasonable one. I don't know how we can maintain any kind of order in the course of debating the various sections and subsections throughout this bill if we hop around all over the place.

Mr. Singer: It isn't our fault you brought it in.

Hon. Mr. Meen: I would suggest, with respect, that we deal with subclause (v) and go on to (b), (c) and (d); and when we eventually get to (e) we will have had a chance to consider the question of the definition of farming which is, of course, one of the major matters; and/or when we get to section 20 to put in an appropriate clause there, if such is indeed appropriate.

Mr. Singer: We have no reason to expect that your appropriateness is appropriate.

Hon. Mr. Meen: I don't think we can stand various subsections and sections and the like down for disposition at some later time. I think we've got to deal with them in some form of order or we'll just never keep this thing properly organized.

Mr. Chairman: Shall this subclause stand?

Mr. D. C. MacDonald (York South): Mr. Chairman, I want to make a brief comment. Obviously we've reached another impasse and there are going to be bells ringing and we are going to waste 15 or 20 minutes—

Mr. Singer: Forty or an hour.

Mr. MacDonald: Or 40 minutes, until we can get the ministers in from the four corners of the province; but that's par for the course in coping with an incredible bill.

The point I wanted to make as unprovocatively as possible is back to the minister's plea that he is interested in amendments which will improve this bill. The comment I want to make refers to what we have been dealing with, the whole position of farmers, but it refers more broadly.

I was rather interested when the member for Eglinton (Mr. Reilly) intervened briefly on second reading and said the problem with this bill is that it casts its net so wide it catches a lot of people who are not speculators and who never intended to speculate. They are the people who are likely to be paying the tax. Whereas the exemptions, plus the pressure of those who are pushing for even further exemptions from this government, are going to create even more loopholes than were originally in the bill for the genuine speculator to get out of it, by one way or another.

Therefore, it is fundamentally a bad bill, and this farming section is only one illustration of many applications of the badness of the bill, if I may use that word. Namely, is is getting little people who are not speculators and it is not catching the big people who are speculators. That's a farce.

Mr. Chairman: The hon. member for St. George.

Mrs. Campbell: Mr. Chairman, from the beginning when we discussed other sections of this bill it became quite apparent that what we really needed was to hear from the minister himself exactly what his definition of a speculator was. In the course of the debate today—and I don't speak for the farming community either; you're in my riding now—I have been really horrified at the fact the minister seems to imply that if a farmer makes a profit he becomes a speculator. This is one of the reasons why under no circumstances will I personally approve this section.

We have begged the minister, Mr. Chairman, to give consideration to the definition of a speculator. We have had several people say—and mean—that the fault with this bill, including this section, is that it catches the innocent person and does not catch the person who is guilty of making unconscionable profits in land transactions, which is what the bill is supposed to be doing.

I don't know what we have to do to make it clear that this is a piece of tax legislation which, by law, must be clear and unambiguous. If anything were ambiguous this section is. Surely the minister can't expect us to go ahead and deal with this particular subsection on some good faith that maybe later on it will be corrected. We have had enough of that. I, for one, don't intend to vote in favour of the inclusion of this subsection.

Thank you, Mr. Chairman.

Mr. Chairman: The member for Huron.

Mr. J. Riddell (Huron): Thank you, Mr. Chairman.

Mr. Chairman: Order please. Does the hon. minister wish to reply?

Hon. Mr. Meen: Just one observation. I have had a chance to look at the implication in subsection (v) of A. If we do change (e) on 5—and I guess there is some merit in recognizing that if it is changed then we could wind up with an alteration in (v); because of course (v) sets a pattern for the whole principle of credits—

Mr. Chairman: It would be easier to come back to this.

Hon. Mr. Meen: The thought I am trying to express is that if we do get into a significant change in (e), then there might be some good reason for not having passed (v). Now, I would limit my concurrence on this to those two, at least until we get along to (e). But I think there might be some wisdom in what the hon. members have been saying in standing (v) down, Mr. Chairman, if you can live with having one or two sections maybe outsanding at a time.

Mr. Chairman: I can see no problem on that. I have it noted here. We will go on to (b) at the bottom of page 3 and the hon. minister has an amendment to the latter part of that subclause which appears at the top of page 4.

Hon. Mr. Meen moves that clause (b) of subsection (1) of section 1 of the bill be amended by adding at the end thereof: "or an interest held in land solely as security for some indebtedness secured by the land."

Mr. Chairman: That is the part that is underlined at the top of page 4.

Mr. Breithaupt: Mr. Chairman could I ask a further question of the minister? I notice that in the earlier part of the definition, the fifth line refers to land registered "in any land registry office in Ontario." By that does it include, automatically, by the interpretation section, a land titles office — or should that be considered as well? I don't have the statute in front of me, but I just thought I'd raise the point because I happened to notice it.

Hon. Mr. Meen: Yes. My belief is that that would be broad enough to cover any system of registry; be it the land title system, the Torens system—or be it our registry office in a capital "R" capital "O" sense. It is intended that it would be that broad.

Mr. Chairman: Shall this motion carry? The member for Lakeshore.

Mr. Lawlor: Mr. Chairman, I have two matters which I wish to raise with the minister. First, I want a little further justification, to say the least, for the exemption of the Canadian resource property, so-called. Why, if this is a tax primarily directed towards speculative profits in land or arising out of land of any kind, not to supply housing or anything else—its primary purpose is that it can be done with a diversity of other modes —if this is the purpose of the tax, and I look at the clauses to which reference is made in the bill of the Income Tax Act of Canada. In "C" on page 164 of that statute, Canadian resource property of a taxpayer means "any property acquired by him after 1971 that is" —and I'll leave out—"drilling rights, exploring rights, royalty rights"—all this sort of thing— "any oil or gas well situate in Canada." And clause 5 reads, "any real property situated in

Canada, the principal value of which depends upon its mineral resource content."

Why is it in every contingency the oil people and the mining people are segmented out and special graces conferred upon them by our legislation? Are they some kind of privileged suzerainty in this province that they don't bear what the farmer bears, what a principal householder bears who happens to have a roomer? They buy and sell properties among themselves and in consortium all the time—that is land with mineral resources on it.

Shouldn't we share in that and isn't that a speculative profit in that particular industry? Isn't it as speculative as anything the minister can possibly think of? It is probably more grotesque in some of its forms and gross in its manifestations than the rather minatory taxable situations of transference which this government proposes to tax. I find it somewhat unpalatable. Is there a policy decision? Is there some kind of reason behind all this?

Hon. Mr. Meen: It is sort of elementary in a way. I'm not sure it is the complete answer, but of course, Mr. Chairman, what we were seeking to do was to get some kind of control on the spiralling cost of land, both in the farming community and in the housing end of things. I am advised by the Treasurer that his ministry had no evidence there was any particular speculation occuring to the detriment of the people of Ontario—

Mr. Lawlor: You just had to look.

Hon. Mr. Meen: I'm speaking for myself, Mr. Chairman. There was no evidence of speculation in Canadian resource property. This was the reason for the single exception at the end of that section.

Mr. Chairman: Shall this motion carry?

Mr. Lawlor: Mr. Chairman, as to the second part of the section, I take it that that's super-added and designed to protect mortgage corporations in particular and people holding equitable interest basically on property of all kinds. Is this what's behind it?

Hon. Mr. Meen: More than that, actually Mr. Chairman, but that's essentially the case. This is the section that would permit mortgages to be sold and dealt with in the marketplace without their being included under designated land.

The definition of designated land is so broad as to cover a mortgage interest—an equitable interest or a first mortgage on a piece of real estate in the registry office or the actual fee in the title—and so this exempts that kind of interest as being designated land within the meaning of the Act.

Mr. Lawlor: Does it also mean that when the indebtedness is acted upon, and let's say the land is seized by reason of the indebtedness, that the wide definition of the exemption here, not being within designated land, continues to apply?

Hon. Mr. Meen: Yes, it could, Mr. Chairman. It was our view that the case of its being applied, for more money to the benefit of the mortgagor by way of foreclosure, that with the provisions under the Act for a power of sale, for the order of redemption and so on, he would have that opportunity to protect himself. Therefore the chance of this being worked to the detriment of the Act, as a way around it would be from a practical standpoint illusory.

Mr. Lawlor: But what I haven't worked out, Mr. Minister—if you can help me—is this term indebtedness. Let's leave aside the mortgage picture. The minister has various forms of indebtedness, vis-à-vis indebtedness by a corporation to particular individuals.

By any stretch of the imagination could that form of indebtedness be utilized as a way to avoid the consequences of your Act? Corporations say they were indebted to us. This corporation becomes indebted to us for $100,000 and we propose to take over the corporation precisely in order to resolve this indebtedness. It, in effect, nevertheless involves land. Does the minister think he has sufficiently, and in depth, covered that situation elsewhere in your bill? Or is this a possible loophole?

Hon. Mr. Meen: I don't think it is but I don't think I can put my finger on it right off the bat.

That would be a case, I presume, that the member—just correct me if I'm wrong—where he would anticipate the shares of a corporation being indebted, to say another party—

Mr. Lawlor: Right.

Hon. Mr. Meen: —being used—

Mr. Lawlor: Right.

Hon. Mr. Meen: —to acquire the title at some value in excess of its amount—I'm not

really quite sure how that would work. I am not sure its a loophole; or if it is even a practical course of action to follow.

Mr. Lawlor: Well I would imagine that in certain corporations here it would be highly beneficial for them to escape your 50 or 70 per cent tax.

Hon. Mr. Meen: That would be on a sale. Needless to say the major point of this amendment is, as the member for Lakeshore has indicated, to avoid the creation of any cloud on mortgage titles.

Mr. Lawlor: No, I take issue with the minister, Mr. Chairman, it is not on a sale. It is a question of a contract or an agreement of some kind, drawn in such terms that if a certain sum of money were lent to the corporation on certain contingencies and if not repaid by a certain date, the shares of that corporation, or the majority of the shares, become vested in the creditor and he then assumes the ownership of the land.

Mr. Chairman: Shall this section, as amended, carry?

Mr. Lawlor: I am waiting a reply from the minister.

Hon. Mr. Meen: If we get just a little bit farther down in the next subsection—

Mr. Lawlor: Four?

Hon. Mr. Meen: No, we were dealing with (b), so if we move down to (d) where we get to disposition, I think you would be caught under the hypothetical case advanced by the member for Lakeshore. Because, you see, that would then talk about a beneficial interest and that is what you have created by the kind of arrangement the hon. member for Lakeshore has postulated, in which a loan is made, and as collateral security for that loan the borrower puts up an interest in land. Then, eventually, that is taken over, as a possible way to avoid the payment of tax by the borrower, in a colourable transaction to sell the property and avoid the tax. But in (d) subsection (1) immediately along here we have: "A sale or transfer however effected of any part of the beneficial interest in designated land". So that would cover the situation the hon. member has advanced.

Mr. Lawlor: It is possible.

Mr. Chairman: Subclause (b) of subsection (1) as amended as agreed to. We will move on to (c)(d); and there is an amendment on (i) of ((d).

Hon. Mr. Meen moves that subclause ii of clause (d) of subsection (1) of section 1 of the bill, be deleted and the following substituted therefor:

> The sale, transfer or assignment of an option providing for the acquisition of designated land, or the transfer of designated land, made to comply with the terms of any such option that has been exercised.

Mr. Chairman: Is the amending motion agreed to.

Agreed to.

Mr. Chairman: Anyone want to speak before we move into subclause (v) here? There is an amendment on subclause (v), Mr. Minister?

Hon. Mr. Meen: All right up to that point, Mr. Chairman?

Hon. Mr. Meen moves that subclause (v) of clause (d) of subsection (1) of section 1, of the bill be deleted and replaced by the following:

> Any change in the composition of the membership of, or the persons beneficially interested in, any organization, syndicate, association of persons, partnerships, joint venture, or corporation without share capital, 50 per cent or more of the assets of which consist of designated land, if the effect of such change is that control over the use of the designated land or the proceeds of its disposition, or of a subsequent disposition, is exercisable in fact by a different person, or group of persons.

Mr. Chairman: The hon. member for Lakeshore.

Mr. Lawlor: Is the previous clause an alteration by way of omission of a phrase in the thing—"not being a change in the beneficiaries under a trust"? I take it now that if there is a change in the beneficiaries of a trust, that it's called a disposition.

Hon. Mr. Meen: Further along, Mr. Chairman, in subclause (p), I think it is—

Mr. Lawlor. Transferor.

Hon. Mr. Meen: Yes, it is a completely new section in which we have expanded upon various natures of transactions, including trust properties and beneficial interests in them. So the reference here, as I understand it from my draftsman, was to remove what became a redundancy with the new subclause (p).

Mr. Bullbrook: Perhaps I am away off base

on this, but supposing Imperial Oil and Shell Oil decided to get into an obviously speculative joint, venture, are they exempted from the statute because of the wording, "50 per cent or more of the assets which consist of designated land"?

Hon. Mr. Meen: I guess one would have to look at the assets of those two corporations, which consist of a great deal more, of course, that just resource properties if that is what the hon. member has in mind.

Mr. Bullbrook: At first reading, I was led to a response that said it would depend upon their holdings in the designated land, but of course it depends upon the holdings of the corporation itself. I am just wondering why we find it necessary to exempt corporations that decide to use the umbrella of their significant outside holdings to become what truly can be construed as speculative.

Hon. Mr. Meen: I think this definition is taken from other statutes of like nature. Otherwise, Mr. Chairman, I don't have a complete answer for the member, to my satisfaction anyway, as to just how one would determine the 50 per cent or more of the assets in this case.

This section, as I say, has been taken from similar statutes. Perhaps my advisers can tell me if we anticipate any difficulty in administering this section. My only concern, in reference to trusts, had been to overcome the redundancy there, but I think I note a certain measure of validity in the hon. member's question.

Mr. Bullbrook: I don't want to try to attempt to make it difficult for the minister, but it would seem to me also that if we are going to restrict speculation by others, then it is an open invitation to large corporations that are in a position of diversification or otherwise to undertake to fill the vacuum of speculation by the exemption available here.

The answer that it is in other statutes, I think you would recognize, is not good enough. I am not interested either in the administration of this. I am really interested in the raison d'être or why we seem to want to invite corporations to get into the speculative field.

Hon. Mr. Meen: I don't think we are. What we say is that a disposition occurs if any beneficial interest has occurred. I don't think we are inviting them to get in. What we are trying to do is to determine when a change has occurred, and we are saying disposition is deemed to have occurred if there is a "change in the composition of, the membership of, or the persons beneficially interested in any organization. . ." and we go on to define the way in which the organization is structured. But we are not inviting speculation. We are saying, "Okay, a disposition has occurred if this should have happened."

Mr. Bullbrook: Well, by way of consideration, let's say that Imperial Oil decides to pick up Erin Mills and sit on their land from a speculative point of view; they are completely exempted—and I don't understand the reason for it. As a matter of fact, I used the word "invitation," and it seems to me to be nothing more than that, Mr. Chairman. It is in effect an invitation for speculative corporations to involve themselves by merger, amalgamation or otherwise with large corporations so that they can exempt themselves under this section.

I ask you to help me. Just give me the reason why you have put that 50 per cent in. I just want to know why we put in that exemption. There obviously is a reason or it wouldn't be there.

Hon. Mr. Meen: Well, it refers to the ownership of land, Mr. Chairman. If their assets consists of 50 per cent or more of land, and there is a change in the composition or the membership or the persons beneficially interested, then it is deemed to be a disposition of the land concerned. We wouldn't want to do it if there was a change in some membership; just a very small percentage and I think it's not unreasonable to select 50 per cent.

Mr. Bullbrook: For clarity, may I suggest the following: You have a corporation whose assets are 100 per cent designated land and they find themselves under this statute. You have a corporation that decides to acquire land for speculative purposes but, because of the size of the corporation, it's almost impossible to visualize the acquisition of a sufficient amount of designated land to bring themselves outside the exemption.

By way of Imperial Oil—I am not suggesting Imperial Oil is going to do it; let's choose Denison Mines by way of example. If they decide to bring themselves under the umbrella of this exemption, why don't we treat the corporation with 51 per cent of its holdings being designated land in the same fashion as we do a corporation with 49 per cent of its assets being designated land? First, why the exemption? Second, what's the magic formula of 50 per cent?

Hon. Mr. Meen: Two before one. I guess. The 50 per cent happens to be used in other Acts, as in the Canada Corporations Act. I don't think it's an unreasonable figure to look at.

Mr. Bullbrook: The purpose of that Act isn't the same as the purpose of this Act. That is a tax with respect to profit, based upon a decision by the government to tax those profits at a certain rate. Now, this is a different thing. You are now setting up a principle of what constitutes a speculator. You are establishing a principle as to who a speculator is. You are saying that a corporation is exempted, no matter what it does and no matter what its intention or motivation, if 50 per cent of its assets, or less than 50 per cent of its assets, so constituted, is designated land. I don't think you can analogize between the corporation tax or perhaps the Income Tax Act in this particular statute. There is a collateral principle that you are involved with too. You and your colleague, the Minister of Housing (Mr. Handleman), and your colleague, the hon. Treasurer, have said that not only is there an economic impact to this statute, there is a social impact to it too. That is that you are going to help drive the speculators out of the market thereby stabilizing the value of real property for the benefit of the people of Ontario. Now, I can't for the life of me accept the answer that is used in other statutes; it might well be used in other statutes, but you know it's used in another context.

Mr. Singer: Right.

Mr. Bullbrook: Maybe I am obtuse, but if you could help me understand why you distinguish between a corporation having 51 per cent of its assets in designated land, and—I am using this for exaggeration—and all of a sudden there comes a corporation with 49 per cent of its assets in designated lands, why the exemption for one and not the other? Why any exemption to begin with? If a corporation holds designated land, why shouldn't it be dealt with in the same fashion as any individual holding designated land?

Hon. Mr. Meen: I am still not sure that I follow the argument advanced by the member for Sarnia.

Mr. P. G. Givens (York-Forest Hill): You are legitimizing the speculative—

Hon. Mr. Meen: I think he has got to recognize that this subclause 5 deals with organizations and non-share capital corporations, clubs and the like. I wonder if he noted that, so that his hypothesis regarding Shell and Imperial, of course, would be inappropriate. We are really just talking about a change—

Mr. Bullbrook: Oh, I am sorry, maybe that is the answer. Your hypothesis was regarding the Ontario corporation tax.

Hon. Mr. Meen: Yes, I said that the general 50 per cent—

Mr. Bullbrook: And you used an analogy just for the 80.

Hon. Mr. Meen: —factor had come and I was looking for my subsections 6 and 7 dealing with transfer of beneficial interest in shares and amalgamations under subsection 7, of course. But, here, under 5, we are simply talking about clubs and organizations, and some of them, if they have a significant level of landholding.

Mr. Singer: So do the partnerships.

Hon. Mr. Meen: I think it's appropriate to talk in terms of a 50 per cent—

Mr. Bullbrook: All right. I began with the very example that I intended to convey to you. I began with the coming together of Shell and Imperial Oil. I began with that partnership; and you're inviting that here. You'll never find such a partnership that will have 50 per cent of its assets in designated land. Again, it invites a multitude of opportunities for corporations to find themselves in a different situation from the individual who is subject to the tax.

Mr. Singer: Mr. Chairman, or even without corporations, you're inviting A and B to join together in a partnership and then allowing C and D to take over that partnership, and they will be exempt as long as 50 per cent of the assets of the original partnership do not consist of designated land.

Let's presume A and B are apartment house owners—no, owners of commercial buildings—and commercial buildings are exempt, so they're not designated—and along the way they get designated land, but they're very careful to keep it down to 49 per cent of the assets of the partnership. You're inviting them to use this exemption.

Hon. Mr. Meen: No, with respect, Mr. Chairman, if they were apartment owners they would be owning designated land. Apartment land is designated land in the ministry's—

Mr. Singer: I said "commercial." I shifted from apartment to commercial. Let's get into commercial or industrial property. You're inviting them to do this, because you don't designate industrial property.

Hon. Mr. Meen: It's still designated land within the meaning of the Act.

Mr. Singer: All right, then they go and buy Royal Trust short-term loans at—what's the rate this afternoon?—10.5 per cent and they make sure that that's worth more than 50 per cent of their partnership. It's inviting somebody to do this.

A and B, two very wealthy people, suddenly look at subclause (v) of the definition disposition and say: "All right. We can produce $5 million in cash. We'll form a partnership, and our partnership is going to invest in Royal Trust short-term loans at 10.5 per cent," which is not bad. "Having done that we'll buy $4 million worth of designated land and speculate on that and we're exempt. In the meantime we're earning 10.5 per cent on the $5 million of Royal Trust short-term loans that we've bought. But, not only do we do that, but we're exempt from the speculation section."

Now there's a perfect example. Find a hole in that one.

Hon. Mr. Meen: We're talking about the definition of a disposition. All we're saying here is that there's deemed to be a disposition if there's change in the control over the use of the designated land or the proceeds of its disposition. That's all we're saying here.

Mr. Singer: That's right. That's exactly right. You are inviting that kind of disposition.

Hon. Mr. Meen: Remember that when they eventually sell, under your scheme, then they are subject to the speculation tax.

Mr. Singer: Sure. And they do this because they're going to sell to C and D. They've escaped the incidence for your tax. C and D will pay for the $5 million that they put into short-term loans.

Mr. Bullbrook: Surely the minister must recognize what my colleague is saying. Certainly you're defining disposition, but you're exempting from the definition of disposition those partnerships, those joint ventures, those syndicates and those other amalgams that are defined there, which find themselves with total assets, less than 50 per cent of which is designated land.

I brought up Imperial Oil. You must recognize that large corporations of this nature do acquire significant land. In my area, vast acreages are owned by and sat on by Imperial Oil, and sold at significant profits by Imperial Oil. But they'll never be 50 per cent of their assets. They'll never be 0.005 per cent of their assets, believe me. I just can't, for the life of me, understand the purpose of this.

May I put it to the minister, if I can, as clearly as it is possible for me to do? The point is this: I feel that you're attempting to tax land speculation; that's a high purpose, with which we agree. Why do you say, however, that if the speculator happens to be someone who is wealthy enough to amass sufficient assets, together with less than 50 per cent of designated land, he is exempt? I don't see any purpose in that exemption unless it is an invitation, as I said before, to people who are wealthy to divest themselves of their taxable responsibility under this subsection.

Mr. Singer: Set up a scheme to do that.

Mr. Bullbrook: Because you know what is going to happen. This isn't a problem; this is why the lawyers stand up. They don't want to listen to themselves talk all day—it's a loophole so wide. We all have clients of success who can envelope themselves in this type of exemption.

Hon. Mr. Meen: Really, what we are trying to say here is that if it is over 50 per cent then we deem a disposition to have occurred at the time when the control over the use of the land occurred. If it is less than 50 per cent, you don't have the disposition being deemed to have occurred at that time. It would be deemed to have occurred at a later time when, under the partnership agreement or whatever else should be the case, they make an eventual disposition. This is simply a deemed disposition at a time when a change in the control over the use of the designated land occurs under sub (v).

Mr. Chairman: Shall this motion carry?

Mr. Singer: No.

Mr. Chairman: Those in favour of this amendment carrying, please say "aye."

Those opposed will please say "nay."

In my opinion the "ayes" have it. I declare the motion carried.

Subsection (v), as amended, agreed to.

Mr. Chairman: Is there anything on the upper part of page 5, on either (v) or (vii)?

Mr. Singer: Yes, (vi) and (vii), Mr. Chairman, are exactly the same thing. I don't know—

Mr. Chairman: I am sorry, there is an amendment to (vi). Perhaps the minister would care to place it.

Mr. Singer: On allotment and issue, is that the one?

Mr. Chairman: The part that is underlined. The hon. minister.

Hon. Mr. Meen: Yes; excuse me; sub (vi).

Hon. Mr. Meen moves that subclause (vi) of clause (d) of subsection 1 of section 1 of the bill be amended by deleting "issue and allotment" in the second and third lines and inserting in lieu thereof "allotment and issue."

Mr. Singer: Mr. Chairman, it is the same objection as my colleague from Sarnia and I latterly had to sub (v) . If 50 per cent of the assets of the corporation—and now we are talking about a corporation with share capital—do not consist of designated land the control of the corporation can be transferred and it's not deemed to be a disposition. The vendor and the purchaser get together and they arrange for the transfer of the control of the company between them. As long as they haven't exceeded the magic 50 per cent formula that land has changed between two parties, there is a speculative gain probably, otherwise the exercise wouldn't be worthwhile, and they have escaped the incidence of the tax. Why?

Hon. Mr. Meen: Simply because we are not interested in fixing the tax at that time. We would catch them on that tax when eventually the property is sold. This deems the disposition—

Mr. Singer: It is sold.

Hon. Mr. Meen: No, it's the sale or transfer in any manner of the beneficial interest in or the allotment and issue of, shares to which are attached 50 per cent or more of the voting rights ordinarily exercisable at meetings of shareholders. In other words it's deemed to have occurred when you have made a transfer or allotment of shares to accomplish this.

Mr. Singer: Provided there is 50 per cent.

Hon. Mr. Meen: This is the corporate analogy in (vi) to the partnership or non-share capital corporation provisions in subclause (v) where we simply deem it to have occurred. A disposition is deemed to have occurred if that happens; if those factors, those criteria are not in that, no disposition is deemed to have occurred under this section at that time. It would simply occur at some later time when indeed they sold off the shares, sold off the land, or made a disposition of the shares that did come within the section.

Mr. Singer: But surely the minister, of all people, should understand that you can transfer property in a number of ways besides transferring a parcel from owner A to owner B, or from vendor A to purchaser B.

If a limited company owns 40 per cent of its assets in designated land and the control of that company passes from group A to group B, the ownership of that land goes to the second group. You have had a transfer. And you are avoiding it. There may never be another one. Even if there is another one later on, why should it not take place in the same way? Why can't the incidence of this tax be defeated all the way down the line by this gimmick?

Hon. Mr. Meen: I think the hon. member would recognize that in the sale under those circumstances the purchaser of the shares is going to have to look at the price he pays for those shares and determine what kind of speculation tax he is going to wind up paying at some date in the future when he develops the land.

Mr. Singer: Suppose he wants it for his own purpose?

Hon. Mr. Meen: If 50 per cent or more of the assets consist of the designated land, then he has acquired it and paid whatever price is appropriate.

Mr. Singer: And he is home free when nobody else is home free.

Mr. Lawlor: Let me take a crack at this, too, Mr. Chairman, if I may. It is the same thing. Suppose that a corporation wishes really to sell land, and has 50 per cent of its assets in terms of land, is it possible for the corporation to go out and borrow—say the land will be sold for $1 million—would it be possible for the corporation to go out and borrow $2 million on the market somewhere, say $1,100,000 to make it a little over the 50 per cent, and then escape the impact of the tax?

Aren't you opening the way to all kinds of financial manipulations with respect to what is to be designated an asset or not an

asset? And won't they build their non-real property assets in anticipation of sale one way or another in order to meet that 50 per cent figure?

In other words, why do corporations get this special benefit being visited upon their heads when the rest of the citizenry — the designation of designated land is the broadest thing imaginable under the statute, except that you hew out these various hollows, which are about the same size as the mountain they replace.

In this particular instance it appears to be a particular invitation and an egregious move on your part to giving corporations not only ab initio and overall the benefits that others don't enjoy, but an in-built device for manipulation.

Hon. Mr. Meen: I think it is possible to envisage cases like this in which there may be some attempt by people to circumvent the Act—or to drive through it—or however the members might want to express it, but in a case such as the member outlines—and the member for Downsview has also I think suggested—obviously the matter is tolerable. Under section 6, to which we will have cause to refer in due course, any such transaction as that can be deemed to attract the tax, and I don't want to jump around but let me read:

> Where the result of one or more sales, exchanges, declarations of trust, or other transactions of any kind whatever, is that a transferor has disposed of property under circumstances such that he may reasonably be considered to have artificially or unduly reduced the amount of taxable value of designated land that he has disposed of, the taxable value shall be computed as if the reduction had not occurred.

Mr. Lawlor: The hon. member knows that this is not the way these statutes are considered in the courts. That's unbelievable.

Hon. Mr. Meen: And if that kind of matter came to our attention, that's the sort of thing I would think would apply.

Mr. Singer: If he is excepted in one section the minister is not going to catch him in another section. No way. That is about as ludicrous a tax definition as I have ever heard.

Mr. Lawlor: You always construe it in favour of the taxpayer. It has to be crystalline, precise, set down. You couldn't invoke—

Mr. Singer: The taxpayer comes in and says, "Look at the section, I am exempted."

Mr. Lawlor: All the tax law you and I were ever taught at Osgoode Hall would teach that elementary principle.

Mr. MacDonald: Were you both at Osgoode?

Mr. Lawlor: Yes, I am afraid so.

Mr. MacDonald: Oh, heavens.

Mr. Chairman: Shall this motion carry?

Some hon. members: No.

Mr. Chairman: Those in favour of the motion as proposed carrying will please say "aye."

Those opposed will please say "nay."

In my opinion the "ayes" have it.

Shall we stack this one?

Mr. Singer: No.

Interjections by hon. members.

Mr. Chairman: Order, please. On Bill 25, Mr. Meen had moved that subclause (vi) of clause (d) of subsection 1 of section 1 of the bill be amended by striking out the words "issue and allotment" in the second and third lines and inserting in lieu thereof "allotment and issue."

The committee divided on whether subclause (vi), with its proposed amendments, should stand as part of the bill, which was approved on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 50, the "nays" 34.

Subsection (vi), as amended, agreed to.

Mr. Singer: That's right. Write in the exemptions. All your corporate friends are looked after now.

Interjections by hon. members.

Mr. Chairman: Order, please. Shall subsection (vii) stand as part of the bill?

Mr. Singer: No.

Mr. Chairman: The hon. member for Downsview.

Mr. Singer: Mr. Chairman, without repeating ad nauseam the same remarks, subclause (vii) is a continuation of subclause (v) and suvclause (vi) in that it allows and invites an obvious exemption. As a matter of fact, I am rather pleased to have the op-

portunity to speak on this once again, because for the Minister of Revenue—

Mr. Breithaupt: Hurry, before they all get out.

Mr. Singer: —to stand in his place and read to us a general section where he can descend on people who obviously try to avoid taxes, and to suggest that any taxpayer who wants to rely on the statute as written is going to be pounced on, shows his naïveté. Perhaps naïveté isn't the best word; he shows stupidity perhaps and certainly ignorance when he puts forward the idea that a taxpayer who says he can do such and such under a certain section of a certain statute is later going to be grabbed by the enforcement people and told that he is duly entering into a scheme to deliberately avoid taxation.

What the government is doing is creating and inviting an obvious avoidance of the tax, provided that you have the kind of corporate and accountancy advice that only rich people can afford, and sufficient assets to be able to do it.

These three sections—we divided the House on the second one, we made the initial objection on the first one, and the third one is exactly the same—these three sections positively invite a scheme to avoid the incidence of this tax in favour of wealthy people, wealthy corporations, wealthy partnerships, wealthy organizations which have the facilities to run circles around the provisions of the Act. I hope it isn't too late once again to urge on the minister that these three subsections be withdrawn.

No excuse he has been able to give to the House makes any sense whatsoever as to why these sections are in. He says he stole the language from other taxation statutes. The other taxation statutes have nothing to do with the purpose or the principle of this statute. Why are they there?

What possible logical excuse has he got for including these three subsections other than he has been importuned by corporate friends and wealthy friends of this government to include an obvious exemption of which they can take advantage? There is no other reason which is apparent. There is no other reason that appears. Someone descending below the magic level of 50 per cent is suddenly exempt. If they are at 49½ per cent or 49 per cent suddenly they can escape. But we are against it; as his colleague sitting right next to him, the Solicitor General (Mr. Kerr), used to say, "the polluters will pay." He's trying to tell us the speculators will pay.

Mr. A. J. Roy (Ottawa East): How much will they pay?

Mr. Singer: The poor speculators might pay but the rich speculators who can have the advantage of good corporate advice, good legal advice and good accountancy advice are invited to enter into a scheme to avoid the incidence of this tax.

This section, Mr. Chairman, which is at present before us makes no sense at all. Those three sections should in good conscience be removed and I'm certain that if the minister is intelligent enough to realize what he's been conned into—the longer this bill goes on, the more convinced I am the minister is naive. He doesn't understand what he has to cope with.

Mr. Roy: You are being mild; he isn't naive, he is stupid.

Mr. Singer: He's got the intelligence to understand this and if the minister would think of what is involved in these three subsections he would withdraw them. There is no excuse for them. There is no rationalization for them and if he says they are going to be picked up later he misses the whole point of the principle of this statute. This section should not pass, Mr. Chairman.

Mr. Chairman: The member for Lakeshore.

Mr. Lawlor: Mr. Chairman, I wouldn't agree with the basic proposition that is put forward at this stage. The figure of 50 per cent is obviously an illusory figure, an arbitrary figure, taken right out of the air. The very least the minister should have in this context is 25 per cent or 15 per cent if ownership of land is on that basis. Of course, we wouldn't agree with that either. We would say corporations are in no better position than the individual out there who happens to rent a room and has to bear the weight of the tax in this particular regard.

The fallacy in the whole legislation, particularly riding on this particular section, is what was mentioned by the member for St. George, Mr. Chairman, a number of times and by others in this House. That is, unless and until you zero in and get your focus on what a speculator is, and whether and when and how and in what context corporations are speculating in land—and you know what you mean by speculation—you are going to run up against this kind of an imbroglio, these very badly phrased and written clauses.

That's where your fault lies. That's where the nub of the matter turns with respect to

section after section, particularly as we get into later sections of this bill affecting homes and what not. To simply take your blanket removal of commercial and industrial, and work off that particular base—where the speculative profits are rampant and rife in this province—is not to face this thing frontally or take it in its whole categorical import.

Your legislation, in clause after clause—and in the merger clauses in particular which we are at present discussing—is deficient by any reckoning. I think you are only beginning to glean for yourself the depths of the swamp in which you are engulfed and you are being sucked down, hour after hour in this House, by the quicksands of your own legislation. I hope—and I say this in terms of friendliness—that you don't totally disappear before it's over.

Mr. Chairman: The hon. minister.

Hon. Mr. Meen: I'm surprised the hon. member for Downsview would want me to withdraw these three subsections. I think if they are deficient—and I'm not prepared at this moment to indicate that I think they are—the argument advanced by the member for Lakeshore has more validity: that if there is a deficiency it's in the matter of the per cent. I'm not sure of that. I would like to work with this section just as with the other two and see what happens; see how we wind up designating assets of the corporation, see if we get into any difficulties in determining whether there is a circumventio of the Act, ad whether or not section (vi) can be properly applied.

In my opinion the section would be applicable. This is far better than lifting the three subsections as the member for Downsview would suggest, which would just open the whole thing wide. At least here we pick up three different categories of situations in which there would be a deemed disposition and which would, under those circumstances, attract the tax. That's an awful lot better than not having those subsections in at all.

Mr. Singer: All right. If the minister throws down the challenge, let me suggest how we can amend these rather than—

Mr. Chairman: We've carried two of them.

Mr. Singer: All right. He's talking about the three of them and I'm only picking up the minister's suggestion. If he changed the wording in these three subsections from "disposition includes" to the wording "disposition shall not include," then he would have caught that. I don't know the extent of the the suggestion that section (vi) will catch someone who can legitimately and honestly and legally take advantage of another section, then the minister is dreaming. I don't know when he went to law school.

Hon. Mr. Meen: I wasn't suggesting that.

Mr. Singer: All right, let me finish. I don't know what kind of knowledge he has of taxation statutes. But the game of avoiding taxes has been a game that has been played as long as there have been taxation statutes. And if the minister can find any comfort in section (vi) where some taxpayer, or supposed taxpayer, can point to another section of the statute and say, "I am fully within the four walls of that section," and really believe that section (vi) is going to apply, then the minister must be smoking something other than cigarettes.

The minister's assertion of this proposition is absolutely appalling. And if that is what he is being told by his advisers, then the minister has no business being there, and his advisers have no business being there.

Earlier, Mr. Chairman, we talked about the importance of having obtained outside advice. Did they write to Ottawa? Did they go to Ottawa? Did they phone Ottawa? Had they consulted any of the leading accountants in the Province of Ontario? Unfortunately I must accept the absence of any tax knowledge from the minister or from his advisers—

Hon. G. A. Kerr (Solicitor General): Have you got an amendment?

Mr. Singer: —because if in seriousness he can put forward a proposition such as this and say that if someone brings himself within the four walls of one section of the statute we can prosecute him under another section for avoiding the provisions of the statute, then he minister doesn't know what he is talking about. And I am surprised, with all the resources of the Province of Ontario, that you haven't sought the advice of a competent tax lawyer who is not associated with government. This piece of paper is a dismal failure. You should have brought someone here who can competently advise you. The minister's second assertion of this ridiculous statement makes one wonder about the intelligence of the minister.

Mr. Chairman: Shall subsection (vii) stand as part of the bill?

Mr. Singer: No.

Some hon. members: No.

Mr. Chairman: Those in favour of subsection (vii) standing as part of the bill will please say "aye."

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

Mr. Singer: We can stack it. There is no point in sort of trying to fight your way out of a paper bag. They don't understand and they won't understand it.

Mrs. Campbell: But they will when the people jump.

Mr. Singer: Yes. And they say: "If it is abused, then maybe we will change it." Baloney.

Mr. Chairman: All right. Then the vote is stacked for later.

I guess subsection (e) is next. The hon. member for Lakeshore.

Mr. Lawlor: This is the definition of farming and I am afraid this is going to take—

Mr. Singer: Wasn't that withdrawn for later consideration?

Mr. Chairman: Was that for—

Mr. Lawlor: No, I thought this was the later consideration.

Mr. Breithaupt: I thought, Mr. Chairman, that we were going to give some consideration to dealing with that earlier item which was 1(a)(v), and this definition; and also the item raised in section 4, subsection (h). Are we to deal with them all or are we to consider that these matters are withheld for the time being until further consideration is given to them by the minister and his aides?

Hon. Mr. Meen: Well, Mr. Chairman. I had rather looked upon subsection (e) as being closely related in its reference to sub (v) of 1(1)(a). I still do. The section 4(h) is also related to it. This is part of the difficulty of dealing with this elaborate bill. There may be some merit in putting it over. There is also some merit in talking about the definition of "farmer" at this stage. I am really in your hands, Mr. Chairman, as to what you would like to go on.

Mr. Chairman: No problem, I can mark it as being stepped down for now.

Mr. Breithaupt: I was just wondering what the minister had in mind. If, for example, it was his intention to review these three items and have something more for us, perhaps at 8 o'clock this evening, then this might be a convenient place and time to call it 6 o'clock so that we could deal with these matters if the minister had a chance to review them. But if that is not the minister's intention, I would presume that we would otherwise just go ahead.

Mr. Lawlor: Mr. Chairman, I would not agree to that. The remarks that I have to make range somewhat more broadly than the very issues that were at stake earlier today. I would like to draw the minister's attention to several picayune points that I have, in fact, in my head. Therefore, I would suggest that we go forward with the debate; at least on the points that have been previously brought to attention. secondly, Mr. Chairman, with all respect, I won't be here tonight; so I had better do it now.

An hon. member: Go ahead.

Mr. Lawlor: On one of the points that have been mentioned, in this section the minister seems to be following the Income Tax Act definition 248(1) with two differences.

The word "livestock"—it is a small point, but we are interested—is spelled "live stock," two words, in the minister's Act; whereas it is not so in the other one. Is it meant to have a difference in that? Well, the way the minister is wording this legislation, we have to be extremely scrupulous about every aspect of the thing. I suppose a cow with a brindled horn by any other name is called a—

The second thing has to do with the words, "maintaining of horses for racing" in the federal definition; but are omitted from this Act. Why? What is going on there?

Hon. Mr. Meen: Mr. Chairman, I had understood that my subclause (e), I was lifting the interpretation from our Succession Duty Act. If I can just take a look and see if horses for racing was included in that one, then I could tell the hon. member. I don't think it is. Our definition under the Succession Duty Act would appear to be the one which we adopted here, section 17(a), rather than under the Income Tax Act, or any of the other federal provisions.

Mr. Lawlor: I take it that the answer to the first question is that the minister doesn't intend any distinction between "live stock" and "livestock."

Hon. Mr. Meen: As a matter of fact, yes, it is intended to be one word I expect.

Certainly in the Succession Duty Act, from which this was taken, it was one word.

Mr. Lawlor: I want to bring—and I already have done so at the commencement of the House today—to the minister's attention, while he is out mulling the matter over and thinking about it, the definition on page 12 of the advisory committee report on farm classification. As I indicated to the minister earlier today—and he is aware that this document exists and, as I understand it, the matter is being surveyed by, I suppose, the Ministry of Agriculture and Food—the committee made a recommendation.

Recommendation 3 states that lands be classified into five classifications: agricultural, agricultural residential, rural residential, rural recreational and, finally, rural speculative. The agriculture classification, the one that the minister is seeking to exempt and to give some benefits to, is defined here somewhat elaborately. I won't read it in its totality, but it starts out:

> Farmland beneficially owned or leased by a physical person or persons or corporations whose principal activity is devoted to the production of plants and animals useful to man, including but not limited to forage and sod crops, grain and feed crops, et cetera.

Every clause in there has a nicety about it and a point which should command itself, I suggest, to the minister over against this amorphous, totally pigeon-hole definition that we have before us, which earlier we raged against on the basis of simply opening it wide. In my opinion, it is the most effective single point in your whole legislation, whereby you undermine your own legislation in the process of enacting it.

They define principal activity in this farm report as to where the weight falls and what are the criteria. They define a farm corporation perhaps in a more delicate way than you have done. They say:

> Corporation for the purpose of this classification should be deemed to mean a corporation incorporated under the Business Corporations Act or the Canada Corporations Act, whose principal object and principal activity is the production of plants and animals useful to man, as above defined, provided that all of its shareholders are physical persons; that no less than two-thirds of the shares of all classes are owned by farm operators; and that the principal activity of at least the majority of them is the operation of such farm.

That's pretty good. That's really beginning to tie it down in a way that one finds a little more palatable than what you presently have proposed to us and have before the House. And so, really what I'm standing here for is to say that when you take it back in the interim before the evening session, and you come back with further nostrums as to how your legislation may be improved, this is the direction it should take and the new impetus it should have.

Hon. Mr. Meen: Mr. Chairman, I note it's approaching 6. I think I can be very brief on this point, while the hon. member is still here. I thank him for his observations on that report. Since the report was received in February, I understand that the Ministry of Agriculture and Food and some representatives from other ministries are examining its content. At this moment I have no report from them as to their acceptance of those recommendations or their suggestions as to any changes.

At first blush, the definition of farming in there may look pretty good, but there may be some questions that we would have to direct our attention to before we could determine whether it was an appropriate definition of farming for purposes of this Act. I recognize that there may be some shortcomings in the present definition which we have taken from section 17(a), as I indicated, of our Succession Duty Act. I think, for the present time, I would have to stick with this definition.

We have a number of other different pieces of legislation with different definitions of farming. Rather than get still another one built into one of our pieces of legislation, I felt I should be consistent at least with the Succession Duty Act, an Act with which we're involved in some respects as to assessment of values of real estate at certain points in time. If we should be able, through the benefit of the Ministry of Agriculture and Food and other related bodies to come up with something else that could improve this at a later time, then I would be the first to suggest that we adopt it. We would then adopt it, I would think, with perhaps with some mutations in other parts of the taxing legislation in my ministry.

Mr. Lawlor: Mr. Chairman, if I may just say in debate, that's totally unacceptable. Legislation must not go through in that particular way.

It being 6 o'clock, p.m., the House took recess.

APPENDIX

(See page 2102)

Answers to questions were tabled as follows:

1. *Mr. Martel*—Inquiry of the ministry—Will the Minister of Natural Resources document the work of Dr. Anders, author of the critique of the Kierans Report entitled "Rent, Communal Property, and Economic Nationalism", and list his work history, including universities attended, countries he has worked in, and the various companies and agencies that he has worked for?

Answer by the Minister of Natural Resources:

1. *Academic Training*

Dipl. Ing. (M.Eng.) in Mining Engineering, Technical University at Clausthal, West Germany, 1955. Ph.D. in Economics, Texas A&M University, 1972

Fields of Specialization

(Economics)	(Engineering)
Economic Theory	Mining Engineering
Regional Science	Industrial Engineering
History of Economic Thought	Engineering Economics
Economic Development	

Ph.D. Dissertation

Field: Economic Development
Title: On the Economic Development of Canada's North West Territories
Chairman: Dr. Melvin L. Greenhut

Dipl. Ing. Thesis

Field: Mine Engineering
Title: Properties of New Drill Steels and Drill Bits as Factors in Rotary-Percussive Rock Drill Design
Chairman: Dr. G. Dorstewitz

Membership in Professional Associations

Member, Association of Professional Engineers, Ontario
Member, Canadian Institute of Mining and Metallurgy
Member, American Economic Association
Member, Southern Economic Association

Teaching, Research, and Other Experience—Dr. G. Anders

Current: (Since August, 1973) Policy Analyst, Division of Mines, Ontario Ministry of Natural Resources, Room 1611, Whitney Block, Queen's Park, *Toronto* M7A 1X3 —Canada

September 1, 1970 to June 1973 *Assistant Professor of Economics*, Florida Presbyterian College, now Eckerd College, St. Petersburg, *Florida*. Principles of Economics, History of Western Capitalism, Economic Development, Comparative Economic Systems, History of Economic Thought, Introduction to Regional Sciences. Supervised Summer School and Directed Study projects on Medical Economics, The Ethical Basis of the Capitalist Order, Indian and Eskimo Community Development, Law and Economics —U.S.A.

Summer 1970, Research Assistant, Texas Hospital Association, Research Unit, San Antonio, *Texas* —U.S.A.

September 1968-May 1970. Graduate Research Assistant, Texas A&M University, College Station, *Texas* —U.S.A.

January 1966-August 1968. Head, Area Economic Survey Section, Department of Indian Affairs and Northern Development, *Ottawa* —Canada

March 1965-January 1966. Area Survey Officer, Department of Indian Affairs and Northern Development, *Ottawa* —Canada

September 1963-February 1965. Chief Mine Engineer, Mattagami Lake Mines Limited, Mattagami, *Quebec* —Canada

January 1962-August 1963. Senior Planning Engineer, Geco Mines Limited, Manitouwadge, *Ontario* —Canada

September 1960-November 1961. Mine Superintendent, North Rankin Nickel Mines Ltd., Rankin Inlet, *N.W.T.* Also Instructor, Mine Rescue Training —Canada

January 1959-August 1960. Chief Mine Research Engineer, Algom Nordic Mines, Rio Algom Mines Ltd., Elliot Lake, *Ontario* —Canada

Between high school and TU Clausthal and between terms there, a total of about three years work as a miner in coal mining, hard rock mining, and oil drilling in *Germany*, *Sweden*, and *Finland*. Part time work during terms as assistant to the editor of Erzmetall, a German mining engineering journal. —Europe

Publication—Dr. G. Anders

1. "The Vihanti Concentrator," *Mine & Quarry Engineering*, February, 1957.
2. "Rockbolting at Algom Nordic Mine," *Canadian Institute of Mining and Metallurgy Bulletin*, July 1961. Also presented at CIMM Annual General Meeting, Toronto, April, 1960.
3. "Underground and Laboratory Tests of Slusher Cables," *CIMM Bulletin*, April, 1964.
4. "Statistical Evaluation of Blasting Tests in Longwall Slashing," *CIMM Bulletin*, January, 1964.
5. "Die Einführung des Kippladers T2GH auf der Grube Mattagami Lake, Quebec," *Erzmetall*, May, 1965.
6. "Der Robbins Aufbruchbohrer," *Erzmetall*, 1965, p. 478.
7. "Graphical Determination of Design Factors for Reinforced Concrete Bulkheads," *Canadian Mining Journal*, December, 1965.
8. "The Introduction of the Autoloader at Mattagami Lake Mines," *CIMM Bulletin*, November, 1965. Also presented at CIMM Annual General Meeting, Toronto, March, 1965.
9. *Northern Foxe Basin: An Area Economic Survey* (139 p.) Departent of Indian Aqairs and Northern Development, Ottawa, 1966.
10. "Social and Economic Change and the Eskimo Community." Presented at Annual Meeting, Ontario Division, Canadian Association of Geographers, Feb. 24, 1968, York University, Toronto. Available from Department of Indian Affairs and Northern Development, Ottawa.
11. *East Coast-Baffin Island: An Area Economic Survey* (Editor) (187 p.). Department of Indian Affairs and Northern Development, Ottawa, 1967.
12. "Northern Industrial Development and 'Keynesian' Unemployment." Prepared for 19th Alaskan Science Conference, Alaska Chapter, AAAS, Aug. 1968 at Whitehorse; published in *The Higher Latitudes of North America: Socio-Economic Studies in Regional Development*. The Boreal Institute, University of Alberta, Edmonton, 1969.
13. *Rae-Lac La Martre: An Area Economic Survey*. Department of Indian Affairs and Northern Development, Ottawa, 1969 (113 p.).
14. *NWT—Economic Regions: A Summary Report*. Department of Indian Affairs and Northern Development, Ottawa, unpublished manuscript.
15. (With Dr. W. P. Gramm, Professor of Economics, Texas A&M University) "Disease as a Consumer Good."
16. "Traditional Culture, Government Programs and Native Labour Market Participation in Canada's North."
17. "Rent, Communal Property and Economic Nationalism: A Case Study."

Academic Record, Texas A&M University—Dr. G. Anders

Entrance GRE Score — 1,380 (730 + 650
G.S.F.L.T.—German — 800
G.S.F.L.T.—French — 472

Courses Taken

Economics

601	History of Economic Thought I	A. Chalk	B
602	History of Economic Thought II	R. Ekelund	A
611	National Income Analysis	W. Gramm	B
613	International Trade	T. Holland	B
619	Theory of the Firm in Economic Space	M. Greenhut	B
621	Regional Science I	E. Bowden	B
622	Regional Science II	M. Greenhut	B
623	Economic Development I	I. Linger	A
626	Theory of Economic Planning	S. Pejovich	A
628	Urban Economics	J. Allen	A
629	Price Theory	T. Saving	B
630	Distribution Theory	C. Ferguson	B
642	Comparative Economic Systems	Chalk and Pejovich	A
685	Problems	Gramm and Morgenstern	A
463	Introduction to Econometrics	C. Maurice	B

Statistics

601	Statistical Analysis	I. Jenkins	B
608	Least Square and Regression	R. Freund	B

Management

624	Development of Human Resources	L. Burgess	A

Education

601	University Teaching	R. Jones	B

Courses Audited

Economics

318	Labour Economics	W. H. Hutt
323	Intermediate Analysis	C. Maurice
633	Economic Development II	T. Furubotn
636	Macroeconomic Theory	W. Gramm
663	Logical Foundations of Econ. Analysis	R. Basmann

Prelim's Taken

Economics

Economic Theory (W. Gramm, C. Ferguson, T. Saving)
History of Economic Thought (A. Chalk, R. Ekelund)
Regional Science (M. Greenhut, J. Allen)

Outside Field

Geology (M. C. Schroeder)

6. *Mr. Deacon*—Inquiry of the ministry—Were public funds spent by the Minister of Energy at a dinner party held at Winston's Restaurant on July 4, 1973? If so, what was the total amount spent, who were the participants and from what public source did the funds come?

Answer by the Minister of Energy:

No public funds were spent by the Minister of Energy at a dinner party held at Winston's Restaurant on July 4, 1973.

9. *Mr. Deacon*—Inquiry of the ministry—What is the normal complement of clerical staff at the Newmarket Assessment Office of the Ministry of Revenue? How many resignations or applications for transfer have been received from clerical staff of that office during

the past 12 months? What is the average annual clerical staff turnover in Assessment Offices across the Province?

Answer by the Minister of Revenue:

1. The complement of clerical staff at the Newmarket Regional Assessment Office is 20.
2. There have been no requests for transfers from this office during the past 12 months. During the same period there have been 6 resignations, for the following reasons:
   (a) 1—Because of illness.
   (b) 2—Both expecting children.
   (c) 1—Obtained a position across the street from her home so she would not have to commute.
   (d) 1—Obtained a better paying job closer to home.
   (e) 1—It was necessary to reprimand this clerical employee on several occasions due to insubordination, inattentiveness, and using government telephones for personal calls. Employee resigned giving health as her reason for resignation.
3. The average annual clerical staff turnover in the Assessment Offices across the Province is approximately 15%. The total clerical complement for the Assessment Division of the Ministry of Revenue is 888, and the total number of clerical employees hired in 1973 was 136.

15. *Mr. Reid*—Inquiry of the ministry—Will the Minister of Government Services advise the total amount of salaries paid to the one director, two supervisors, two inquiry officers and receptionists of the Citizens Inquiry Branch? Could the Minister also advise why there is a need for two supervisors in such a small department?

Answer by the Minister of Government Services:

The information requested of this Ministry relative to the above question is as follows: $95,600.

The branch comprises two distinct sections: (1) Information and General Inquiries and (2) Special Inquiries. The two supervisors referred to are working supervisors, each of which is responsible for a section.

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No. 50



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Tuesday, May 14, 1974

Evening Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

The House resumed at 8 o'clock, p.m.

Mr. R. F. Nixon (Leader of the Oppostiion): Mr. Chairman, before you get on with the sections of the bill, I know you would like to join with me and other members in welcoming members of the Liberal associations of Scarborough North, Yorkview and York West who are in the galleries tonight. You would want to join with me, wouldn't you?

Mr. Chairman: Oh, yes; I do.

Mr. J. R. Breithaupt (Kitchener): We're certainly happy to see the strength of the NDP benches this evening, Mr. Chairman. The NDP are here in strength.

Mr. R. F. Ruston (Essex-Kent): Yes, all 19 seats.

LAND SPECULATION TAX ACT
(Continued)

On section 1:

Mr. Chairman: When we rose at 6 o'clock we were considering subclause (e). Does the minister have an announcement to make on this?

Hon. A. K. Meen (Minister of Revenue): Mr. Chairman, before dinner I told the member for Huron-Bruce (Mr. Gaunt) I would give some thought to his suggested addition to subclause (e) on page 5 of the bill. I don't think he introduced it as a formal amendment. For the record, and he will be able to read this in Hansard when he gets a copy of it in due course and perhaps his leader who is in his seat can relay this to him; although I have some sympathy for his suggestion that we extend the definition of farming as set out in the Act, I also have some misgivings about that. I indicated to the hon. member before dinner that the form of definition in the Succession Duty Act, section 17, subsection (a), and that until such time as we have something a little more definitive from the Ministry of Agriculture and Food relating to the report of the farm classification committee which has made some rather extensive recommendations in this area, particularly so, in connection with the definition of what constitutes farming, until we've had a chance to assess the impact of that kind of definition on this Act, I would like to leave this definition as it stands.

What it does, if I may just take a minute of time, is to reward the "little fellow" who keeps a farm in production whether he is also, say, the driver of the local school bus or anything of that sort from which he may derive a substantial income, or for that matter in addition to owning a farm and operating it, he could be a member of this Legislature and would still then be entitled—

Mr. R. F. Nixon: We're all little fellows.

Hon. Mr. Meen: I wasn't intending to suggest a conflict of interest to the hon. member for Brant (Mr. R. F. Nixon) either in that.

The definition of farming, as we presently have it under (e), would permit the 10 per cent per annum rollover as we discussed earlier this afternoon. If we were to extend that definition, we would unfairly prejudice the small operator who then would lose out on that definition. If I can take the members forward briefly to the definition of net maintenance costs on the next page, page 6, they will see—

Mr. J. A. Renwick (Riverdale): No you can't. We haven't reached that yet.

Hon. Mr. Meen: —that in this definition of net maintenance costs, which refers to mortgage interests, property taxes and the like, at the end there's a specific exclusion. So that in determining the maintenance costs under this section, if you are a farmer who is carrying on farming now on the property and whose chief source of income is from farming and who owns the designated land, then the income the farmer earns from the land is not deductible from that additional 10 per cent that he's entitled to charge.

I'm pleased the member for Huron-Bruce has returned, because I was just commenting on his suggested amendment to the definition of farming, Mr. Chairman.

What happens in the net result under this is that the farmer, who is carrying on farm-

ing and whose chief source of income is from farming and who owns the land, has three things really. He can transfer this property to his son without any attraction of tax and on through the farming family under section 4(h), as it presently stands. He has a 10 per cent cumulative figure on the base price; and he has his net maintenance costs up to 10 per cent per annum unreduced by income. That's a characteristic unique to the farmer who is carrying on farming and whose chief source of income is derived from it.

Mr. R. F. Nixon: What are maintenance costs? All costs?

Hon. Mr. Meen: Net maintenance costs are under subsection (j), Mr. Chairman. The hon. member might like to take a look at that section when we get there.

Mr. Renwick: No, we cannot look at that cost. We are not there.

Hon. Mr. Meen: I am explaining to the hon. members, over the objections from the member for Riverdale, that it would be quite unwise for us to alter the definition of farming under subclause (e) as it would unnecessarily and unfairly prejudice the small farmer, the very person I think the hon. member for Huron-Bruce may have been trying to help the most.

Mr. M. Gaunt (Huron-Bruce): Mr. Chairman, I think the situation the minister envisages, and I have in mind, is where a man is operating 100 acres of land and driving a school bus in the morning and at night. His operation is not large, so that if he has a bad year it may be that the income from the school bus endeavour would exceed the income from his farm. I think the minister is arguing that if we expanded this definition we would be harming the very person we are trying to help.

Under those conditions, if you broaden it to accord with the definition of the farm classification committee where it defines principal activities for the purposes of farming, and if one were to say which activities are the principal one of those so engaged—and that was the amendment I suggested to the minister—I would still argue that the person I just cited would still have as his principal activity the operation of that farm, even though he was driving the school bus.

Hon. Mr. Meen: With respect, I think we would be in some difficulty if, as the hon. member says, he wound up making more money out of his bus driving than he did from the farm. How would one ascertain his chief occupation under these circumstances? It might well be bus driving.

Mr. Renwick: I think that is very unreal; would it really ever be the case?

Hon. Mr. Meen: That is why I was suggesting this section be left as is. It leaves it in the position where he can still qualify—

Mr. R. F. Nixon: But it is a very bad situation.

Hon. Mr. Meen: —for the 10 per cent cumulative figure even though—

Mr. Renwick: It is a very poor section.

Hon. Mr. Meen: —he does not qualify under the other area for the remaining 10 per cent non-cumulative. I might point out, for the benefit of the full-time farmer on the farm, his capital value for his adjusted cost would double about once every 4½ years, and that isn't bad.

Mr. Breithaupt: Mr. Chairman, there are some problems to consider further when it comes to working on this definition of farming.

As the member for York North (Mr. W. Hodgson) had mentioned earlier, he thought a possible definition of farming would include someone who made up to 75 per cent of his or her income from the operations of a farm. What it seems to me you have done here, Mr. Minister, is to allow a person who is not necessarily a bona fide farmer to, in effect, benefit from the distinctions you are making in this statute. We go back to the original question as to who the people are that you are trying to get involved because of this bill.

We have suggested earlier that you are casting your net very broadly and that it would seem as though the bigger fish are able to get through and the smaller fish are being caught. This is really quite a comment on the kind of net you are using. But here, as we referred to earlier in this afternoon's debate, there is the opportunity for someone to have on his or her property a number of animals, livestock of one sort or another; the cow and the bull situation, or indeed by your own definition, since it includes the keeping of bees, presumably two bees are sufficient to define what a farm is.

It really seems rather strange to me that the maintenance of a group of bees, if such were the case—or indeed of some other very minor involvement on a hobby farm situation

—would allow a person who might otherwise be considered a speculator to avoid the operation of this statute. But it would catch the person who is maintaining a farming operation, even though the income from it might be substantially improved upon because of driving a school bus or working in some other kind of industry, or on a part-time or even an almost full-time basis. It is therefore surprising to me that this definition stands over the comments made by the member for Huron-Bruce.

It seemed to us, as we looked at the attempts to improve upon this definition, that the comments made by the member for Huron-Bruce, both, in caucus and here in the House, are worthy of substantial consideration. We are, of course, interested in ensuring that a bona fide farmer is going to be relieved from the burdens of this tax bill.

Indeed, there will likely be amendments brought forward which will attempt to treat equally all the persons involved in the various kinds of land and building ownership. The way of doing that, of course, would be to allow a common period of time for a person, no matter what investment that person had—be it a farm; a commercial enterprise; an apartment; the widow's fourplex we have had brought before us on a number of occasions; or whatever—if they were treated equally because of the passage of time, whether it is a five-year term with a reduction of tax thereafter, I would think the tax being applied would, in effect, deal with people equally and would bring the required result. If the required result is to deal with speculation, of course, someone who is involved in farming is not going to be the person one would wish to get by this kind of a tax.

I put it to you, Mr. Minister, that the definition here will be a loophole available to persons who are not really seriously interested in farming and will allow them to avoid the attraction of the kind of tax which you wish to impose. It may be, of course, that lands will be kept out of the development you are looking for, since your colleagues in the cabinet advise us, both here in the House and in the public press, that this bill will stimulate an increase in housing within Ontario.

I suggest in your example of definition you are casting your net so broadly and painting such a broad picture in the circumstance, that you will catch the people you wish to release and you will not catch those who are able to put a coat of paint on the fences, to put a stallion and a couple of mares out on the pasture or raise a hutch of rabbits or keep a swarm of bees. As a result, they will avoid the imposition of this tax. If that is the way, then for someone who has the wealth or the almost easy approach of avoiding the tax, you are not achieving what you say you are attempting to achieve.

Mr. Chairman, the bill as amended now has a title which deals with the imposition of tax on land in respect to certain speculative transactions. Here you are allowing a loophole to remain which will give a person who really has a very minor interest in any farming profit from a property the right to say that is a farming property.

I may not have seen through the meaning you wish to attend on the word farming—and you may be prepared to correct me if I am wrong—in that I see this being a manner of avoiding the taxation you rightfully think should be attracted by a property if that property is, in your view, held for speculative purposes. I'd like to hear from the minister as to why this definition is deemed to be satisfactory in light of the examples of possible avoidance we have already suggested.

Hon. Mr. Meen: Mr. Chairman, I am not convinced that these are areas of avoidance. We have a number of objectives in this bill. I think you can't lose sight of one of these objectives as being to keep farm lands producing food. If we were to drive out of business the little farmer, the fellow who needs to supplement his farm income by some other source of income, as would be the case, as I suggested earlier, by the proposed amendment by the member for Huron-Bruce, then I think we would be doing all of Ontario a great disservice. No one wants to do that.

The member for Kitchener talked about broadening this section of farming. I suggest to him, that he would be narrowing it; he would be substantially reducing the scope of what constituted a farming operation.

Mr. R. F. Nixon: He has a further amendment to subsection (h).

Hon. Mr. Meen: I am aware that one of the members opposite was proposing an amendment to subsection (h).

Mr. R. F. Nixon: If the minister will permit me, what the member for Kitchener is surely proposing is to draw the net tightly, so that it is not everyone who can go out and buy a plot of land and put a hive of bees on it and call himself a farmer, but that those who are designated farmers are free of the attachment of any tax.

Hon. Mr. Meen: I'd like to think we had some way of doing that without licensing farmers or going to that kind of mechanism, but it makes you wonder if you don't have to do that.

Mr. R. F. Nixon: How are you going to do that?

Mr. Renwick: You can't do it.

Hon. Mr. Meen: No, I agree; and you don't have to. You can't do that and I don't want to suggest it either. If we are going to designate a farmer, then we are talking about licensing him and keeping some kind of indication on who qualifies and who doesn't.

Under 4(h), as I understand it, the member for Brant was proposing to remove the entire reference and just say that after a period of years or whatever the transfer would be free of any kind of tax.

Mr. Renwick: No, that wasn't his intention.

Hon. Mr. Meen: We are assisting the farmers in three different areas, as I have mentioned, albeit it's a difference approach from that used with respect to housing investment properties under section 20. The fact remains there is a good deal of assistance being extended to them in these three different quarters, the two as to tax and the third as to the capacity for passage from father to son to grandson and so on without attraction of any tax; in fact with a continual rollup of the accumulation of 10 per cent, the accumulative effect annually of 10 per cent, and the annual maintenance costs as well when the farm is kept in farming by the owner-occupant.

It seems to me we should leave this definition at least to see how it works. I am not happy about narrowing it.

Mr. Renwick: You can't possibly leave it alone.

Hon. Mr. Meen: The members opposite are talking about casting the net too wide. Actually if I were to narrow that down, I'd be making an even finer mesh than before and I would catch the little farmer where we don't really want to do so.

Mr. Renwick: You are unreal.

Hon. Mr. Meen: I would like to have the kind of credit available to him that he would rightfully receive, even though he had other income derived from some supplementary sources.

Mr. R. F. Nixon: Mr. Chairman, the point the minister makes so reasonably when he says that he is giving every assistance to the farmer and talks about the special dispensations with regard to inheritance and passing the property on to family, is based on his assumption the farmer to begin with is a speculator. That's the part we simply can't accept. If the farm land is owned for six months and is purchased for $800 an acre and then that so-called farmer, who maybe has a couple of goats on the land, goes out and sells it for $5,000 an acre, that's speculation. Those profits should certainly be taxed at the 50 per cent level, or much higher in my view.

Mr. Renwick: Right.

Mr. R. F. Nixon: But if you are talking about farm land that has been kept in production over a number of years, and we are suggesting in an amendment which we'll present to you later, Mr. Chairman, that 10 years is probably an appropriate period of time, or 10 years scaled down, following that then they should be free of the encumbrance of the provisions of this bill entirely. I simply want to say this again to the minister. When he talks in those reasonable, generous terms, that his generosity is based on his designation of all farm land owners as being speculators, and that's the unacceptable part.

It's true, no matter how we seem to turn in the amendment, there are problems presented. The minister is aware of it, and so are the people who have advised him over so many days from his ministry. Someone has suggested that under one term, where it requires 75 per cent of income being based on farming practice, somebody like, say, the well known Armstrong brothers in Brampton might very well be able to come under that classification when they are selling their $50,000 race horses or what have you.

But the thing is that their property is, of course, extremely valuable and well developed; and we might even be prepared to allow that fish to slip through the net and hook him some other way.

The same is perhaps true of E. P. Taylor; I don't know, since most of his major holdings are now out of this country. If he has a horse racing establishment here, he might very well slip through the net we are trying to design. But it seems to me that with the capital gains tax and the federal taxes applicable we are not using the ingenuity which is—well if it isn't in this

House it should be available to the minister. It should be available to us to establish a provision which is going to be fair and equitable and move away from the presumption that the minister has in this bill that all farm land owners are speculators. Which as I say we cannot accept.

Mr. Breithaupt: Mr. Chairman, we have spoken at some length—

Mr. Chairman: You are presenting the same arguments over and over again. Now we will have to—

Mr. R. F. Nixon: We haven't told you about the Armstrong brothers before.

Mr. Breithaupt: Mr. Chairman, we have spoken at some length on this bill. We've debated it for some nine hours and we are gradually making progress. The unfortunate part is, of course, that as we go through this debate we regretfully do not seem to have the attention of many of the members of the Legislature.

Mr. R. F. Nixon: Certainly not of the government.

Mr. Breithaupt: I do not believe, Mr. Chairman, unfortunately, that we have a quorum with us.

An hon. member: Six Conservative members, that's all.

Mr. H. Worton (Wellington South): Six out of 76.

Mr. R. F. Nixon: There are two NDP members now; that is something. They started with none.

Clerk of the House: Mr. Chairman, there are 19 members present.

Mr. Renwick: How many?

Clerk of the House: Nineteen.

Mr. Renwick: Ring the bells.

Mr. Chairman ordered the bells rung for four minutes.

Clerk of the House: Mr. Chairman, there is a quorum present.

Mr. Renwick: And the Provincial Secretary for Social Development (Mrs. Birch).

Mr. Breithaupt: I was making some references earlier on the matter of farming, and I must report I am advised that it is a swarm of bees and not a group; which I really did know, but coming from a city riding perhaps I could be excused for that small comment.

Mr. Renwick: It's a pride of lions.

An hon. member: It's hornets where you come from.

An hon. member: It's a wonder you didn't call it a platoon.

Mr. Breithaupt: The minister has made comments with respect to this being an adequate manner of dealing with this by definition. He has suggested we should wait and see what kind of developments will result, because as he commented earlier there will be benefits which will mathematically assist the farmer.

At this point of course Mr. Chairman, all we can presume is that the minister may have reason to find this definition acceptable. We hope, of course, he will be amenable to change or amendment of this definition should that become apparent later on, either in this term, which will take us perhaps until the end of June, or in a fall session if one is called.

It is important that the ministry be amenable to an immediate change in definition to make sure the bona fide farmers of the province benefit by the definition so they are not having a burden imposed upon them because of some oversight on our part.

Hon. Mr. Meen: Mr. Chairman, I completely agree with the member. We have said repeatedly that if we find justification for amendment we will amend the Act.

Mr. Renwick: Come off it. The minister can't do that.

Hon. Mr. Meen: I have already demonstrated that in the case of the Land Transfer Tax Act.

Mr. Renwick: This has been a tax loophole.

Hon. Mr. Meen: I would suggest that the farm classification committee's report has quite a number of recommendations and observations in it some of which maybe interrelated. I would observe to the member that one of those is the matter of licensing farmers. I am sure the Minister of Agriculture and Food (Mr. Stewart) and his rural colleagues and my colleagues in this House are mightily concerned about all those recommendations and the extent of inter-relationship. I think it would be presumptuous of me to adopt one definition in isolation from an analysis and assessment of the entire report. That is the

reason for leaving this alone as an accepted definition under the Succession Duty Act.

Mr. Renwick: You can't leave it alone.

Hon. Mr. Meen: —until such time as we get some good advice from that committee. I would certainly consider any amendment which at that time appeared desirable, either in this session or in the fall.

Mr. Renwick: The minister can't deal with that.

Mr. Chairman: Shall this section stand as part of the bill?

Mr. Renwick: No.

Mr. Chairman: The member for Riverdale.

Mr. R. F. Nixon: The member for Riverdale is all alone again.

Mr. Ruston: They have all left the member for Riverdale again.

Mr. Renwick: As always in our party, it is the question of quality more than quantity.

Mr. R. F. Nixon: At least the member is going to get a chance to lead.

Mr. Breithaupt: The member for Riverdale could even decide how he wants them to vote.

Mr. Renwick: Yes.

Mr. R. F. Nixon: He can't force a vote.

Mr. Renwick: The members would be surprised.

Mr. Breithaupt: He may convince us.

Mr. Worton: Stick with it.

Mr. Renwick: It is not a question of sticking with it. The minister may not understand it; my colleagues on the right may not understand, but the—

Mr. R. F. Nixon: There are not any there.

Mr. Renwick: —definition of farming with respect to the speculative land tax reflects itself ultimately down the line in the riding of Riverdale, in Metropolitan Toronto, in the city of Toronto, in the area in which people have to pay exorbitant prices for poor accommodation.

Let's not kid ourselves about the importance of this definition. I think the Liberal Party feels—I can see the Minister of Revenue tapping. I had an uncle of mine who used to tap the desk when he was impatient with those who were playing bridge with him.

An hon. member: I had a teacher like that, too.

Mr. R. F. Nixon: What game is he playing?

Mr. Renwick: Now stop tapping the table.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): The member does it himself.

Mr. Renwick: The Minister of Revenue comes from York East. The minister thinks that something called the definition of farming in the Act to impose a tax on land in respect of certain transactions affecting the control and ownership of land out there somewhere in the country has no relationship to the cost of housing in his riding, or in my riding. His riding is north of my riding. They are, for practical purposes, identical.

So let's not kid ourselves about it. One of the principal reasons for the exorbitant cost of land, and the interface between rural land and urban land, where the speculative profits are and have been historically made, are the very areas which this bill is designed to attack.

I don't know whether I have the minister's attention or not, or whether he's going through some Freudian defensive mechanism about putting his pen in his pocket and getting out another one. I'd like him to sit back, stop making notes and look up at what we're talking about. What we're talking about is not a game that's being played.

Mr. L. C. Henderson (Lambton): Attention!

Mr. Renwick: There is no question whatsoever that the definition of farming in this Act is defective. It may well be there are definitions of farming for many other purposes, for many other Acts of the Legislature of the Province of Ontario.

It may not be possible—

Interjections by hon. members.

Mr. Renwick: Thank you, thank you; if the minister will put his feet up on the desk—

Hon. Mr. Meen: I never do that.

Mr. Renwick: The minister never does that.

Hon. Mr. Meen: I leave that to the boys over there.

Mr. Renwick: I only do that. Yes, I agree with the minister.

Hon. Mr. Meen: It's an affront to the chamber.

Mr. Renwick: It's an affront to the chamber; yes, I understand that. I'd like to affront the minister.

I thank the minister for going so far in accommodating me as to—

Mr. Ruston: The member for Port Arthur (Mr. Foulds) always puts his feet up.

Mr. Renwick: —as to be engaged in the discussion we're on. I do not pretend for one single moment to suggest that as a representative for Riverdale I know a great deal about farming. I know something about farming, perhaps a lot more than people in this Legislature think; but that's irrelevant to the discussion on which we're engaged.

Mr. R. F. Nixon: Well there is a big man, as I recall.

Mr. Renwick: My friend, the hon. member for Kitchener is equally somewhat removed from farming. Isn't that correct?

Mr. Breithaupt: Somewhat, Mr. Chairman.

Mr. Renwick: And the leader of his party is somewhat removed from farming.

Mr. R. F. Nixon: My shoes are dirtier than those of the member for Riverdale.

Mr. Renwick: That doesn't alter the fact that one does not have to be a farmer to understand the speculative nature of the interface between the farming community and the urban community with respect to speculation in land. And I agree entirely with what the leader of the Liberal Party has said tonight. The minister can't categorize one farmer as a speculator and another farmer as not a speculator. There's just no way. That's the way of the Minister of Housing (Mr. Handleman): that some people are bad guys and some people are good guys.

Mr. R. F. Nixon: And only the minister knows.

Mr. Renwick: Yes, and only the minister knows.

Hon. Mr. Meen: The member is talking about bona fide farmers. I wish he would tell me what one is.

Mr. Renwick: Does the minister understand that that kind of a classification, which has resulted in this bill, is the fundamental flaw in the bill? He can't tell. There is no real person called somebody who speculates in land and somebody who doesn't speculate in land. I'm delighted that the Liberal Party is attacking the bill on specific clauses. I only regret they didn't understand the fundamental principle which was involved with respect to the bill in the first instance.

Mr. R. F. Nixon: We believe that speculative profits should be taxed. Doesn't the member for Riverdale believe in the taxing of speculative profits?

Mr. Renwick: Well our problem is; and our problem is a very real problem: How do you distinguish between the speculative farmer and the non-speculative farmer?

Mr. Chairman: Order please. May I suggest that we are going over and over the same ground, repeating the same words?

Mr. Renwick: Well, Mr. Chairman—

Mr. Chairman: Order, please.

Mr. Renwick: Mr. Chairman, with the greatest respect for you, I certainly do not consider myself repetitive. I have been on my feet for only six minutes.

Mr. Chairman: Order, please. I have heard the same argument for the last several hours. Do we have an amendment to this?

Mr. Renwick: Oh now, Mr. Chairman, I'm not—

Mr. Chairman: Or shall we vote on it.

Mr. Renwick: That has nothing to do with the procedure of the House as I understand it.

Mr. Chairman: Well we are talking very generally here, and there is repetition.

Mr. Renwick: I will have an amendment if that is what you require. But I am certainly going to talk to the objective of this particular section of the bill.

While I am sure you don't understand, Mr. Chairman, I am sure the minister does understand that the effect of this definition relates to an exemption under the provisions of section 4 of the Act.

Mr. Chairman, I know you would agree with me; I have always been one who has said we should debate sections 2, 3, 4 and subsequent sections of the bill and then come back to the definitions. But we always get hung up on section 1 of the bill, which is the definition part of the bill.

The definition part of this bill contains a definition called "farming" and a definition called "farming corporation." The only significance of those definitions—and we could define them from now until kingdom come—is with respect to the exemptions contained in section 4. I think the minister agrees with me that that is the only significant problem. He has nodded his head, as I can see, up and down.

Mr. Chairman: Order, please. Do you wish to hold this until section 4 as we sort of agreed this afternoon?

Hon. Mr. Meen: Section 4(h).

Mr. Chairman: Is it section 4(h)?

Hon. Mr. Meen: Yes, Mr. Chairman.

Mr. Chairman: It was generally agreed by the House that this definition section (e) and the earlier section (v), as well as section 4(h) possibly should be considered together. Would that be better?

Mr. Renwick: Well, would you bring me up to date? I unfortunately had to be in that Taylor's division of the administration, that Montesque you made between the courts, the assembly and the administration.

Mr. Chairman: We stood down subsection (v) on page 3, and we were going to stand down subsection (e) on page 5, which is being discussed, until section 4(h). It was agreed to do that this afternoon; we can still do that.

Mr. Breithaupt: Well it was certainly asked this afternoon, Mr. Chairman. I didn't realize it was agreed that all three items would be discussed when we reached section 4(h), either later this week or next.

Mr. Chairman: I thought it was agreed section 4(h) was the appropriate place.

Mr. Breithaupt: If the minister is content to leave this matter at this time, that is certainly fine.

Hon. Mr. Meen: Well, the point I was making this afternoon was that it gets very complicated, because of all the intervening definitions and sections, to do it this way.

Mr. R. F. Nixon: How much better then the other way?

Hon. Mr. Meen: I don't think anybody who has looked at this Act can understand it. However, if the Chairman can cope with this, then I am content to have subclause (v), which we were talking about, and subsection (e) held down until we reach section 4(h).

Mr. S. Lewis (Scarborough West): It taxes the chair's capacities, but he will endeavour to do it.

Mr. Chairman: We'll manage.

Mr. Renwick: Mr. Chairman, I am in your hands entirely.

Mr. Chairman: Then sit down until we discuss the three sections together.

Mr. Lewis: Do you think you can handle that, Mr. Chairman? It is very complicated.

Mr. Chairman: One, two, three.

Interjection by an hon. member.

Mr. Lewis: As a matter of fact, I think it was a very modest supper.

Mr. Renwick: Mr. Chairman, I take it that what you are asking us to agree to is to stand down subsections (e) and (f).

Hon. Mr. Meen: No, just subsection (e).

Mr. Chairman: Just subsection (e), I believe. Also, back on page 3, subclause (v).

Mr. Breithaupt: Section 1(1)(a)(v).

Mr. Chairman: Yes, sections 1(1)(a)(v) and 1(1)(e) on page 5 until we get to section 4(h).

Mr. Renwick: You are asking me to stand down section 1(1)(a)(v)?

Mr. R. F. Nixon: And section 1(1)(e).

Mr. Renwick: And sections 1(1)(e) and 1(1)(f)?

Mr. R. F. Nixon: No.

Mr. Chairman: I understand there is no desire to stand that one down.

Mr. Renwick: Well does farming corporation come in earlier than that?

Hon. Mr. Meen: Well there was simply no agreement to deal with anything but section 1(1)(a)(v) and section 1(1)(e) along with section 4(h).

Mr. Chairman: I was making another note, it will not be forgotten.

Mr. Renwick: Well may I ask my friends on my right here whether it doesn't make sense to deal with the definition of farm-

ing corporations at the same time as we deal with—

Mr. Breithaupt: I would think so, Mr. Chairman, if the minister was so minded. This is the only other portion that deals with the matter of farming, and I think we might have some progress if we were able to include that along with these other two matters of (1)(a)(v) and (1)(e) when we get to 4(h).

Hon. Mr. Meen: I really don't object to that. We are referring in section 4(h) to farming corporation, so I would agree to that.

Mr. Renwick: Mr. Chairman, it is particularly important because of the interest of the government in the 4-H operation, which comes under the Minister of Agriculture and Food.

Mr. Chairman: All right. Then we will go at the top of page 6, subsection (g), (h) or (i); anything on those three?

Mr. Breithaupt: On subsection (g), Mr. Chairman, I am wondering if the minister has given any thought to what might be called marriages of convenience?

It would appear to me that in looking over this definition, a person would be able to pass the title to a property without being subject to this kind of taxation, if through the simple matter of marriage—if marriage can ever be defined as simple—there were established a relationship between the vendor and the purchaser.

In this case when we refer to nephews and nieces, or we refer to uncles and aunts, it could well be, knowing the ingenuity of mankind, that substantial amounts of taxation could be avoided through such a relationship being establshed. I don't think that's too farfetched really when one looks not only at the large amounts of money involved, but also at the relative ease by which divorce actions are handled within our courts.

Mr. R. F. Nixon: And the side benefits that accrue.

Mr. Breithaupt: There are indeed the possibilities that certain—

Hon. Mr. Winkler: It is a complex question.

Mr. Breithaupt: Well it is indeed, Mr. Chairman. The suggestion could I think be practically raised that we have in this subsection come, as we had in earlier subsections, once again to a matter of avoidance of this tax. I am wondering if the minister has considered that as a possible means which some may choose to employ in order to avoid the tax?

Hon. Mr. Meen: About my own personal family, Mr. Chairman, I hadn't really given any consideration to that as yet. My youngsters are rather young.

To be serious though, and I question whether the hon. member really is, I would remind him that the same kind of incentive might apply under the Succession Duty Act and a few others of our statutes. I suppose if somebody is prepared to go to that horrendous extent, he can be my guest.

Mr. Breithaupt: Of course, Mr. Chairman, as they say you know, when you marry for money you earn every cent of it; and in this circumstance that might well be the case.

Mr. Chairman: The member for Riverdale; were you on this point?

Mr. Renwick: If I may. Why not include the definition that the members of the family means the table of the devolution in the case of an intestacy? Why not do that?

Mr. Lewis: Now that is an excellent suggestion.

Mr. Renwick: Do you understand?

Well the member for York East, the Minister of Revenue, obviously knows about the Devolution of Estates Act and the table of intestacy—if a person dies intestate it sets out who the members of the family are.

Isn't that a sufficiently broad designation? As a matter of fact I think the chairman of the Law Reform Commission found a missing member of the family recently, and included it in a recommendation which we incorporated in an Act to amend the table which is attached to the Devolution of Estates Act.

What makes the minister think there isn't some skillful accountant or lawyer who can devise a method by which somebody could become somebody's grandmother for the purpose of the evasion of this Act. Have you given any thought to it? You obviously haven't. The minister hasn't—

Hon. Mr. Meen: I told you I haven't; it is really a very straightforward procedure.

Mr. R. F. Nixon: But it only applies to farming anyway.

Mr. Renwick: Not really, it applies all across the board.

Hon. Mr. Meen: At least I am being consistent in adopting a provision in the Retail Sales Act for this, Mr. Chairman.

Mr. Chairman: Shall clause (g) stand as part of the bill then?

Mr. Renwick: On clause (h) the minister means the Minister of Revenue. I'd like to propose an amendment that "minister" means the ex-Solicitor General of the Province of Ontario, who happens to be in his seat tonight. Would that be possible? I think that the member for Bellwoods (Mr. Yaremko) would be an ideal person to administer this Act because he has a very intimate knowledge on the question of speculative land transactions.

I see the member for Bellwoods has leaned back in his chair. He hasn't taken off his glasses, which is usually done by the Minister of Community and Social Services in the Province of Ontario (Mr. Brunelle).

I would suggest that perhaps a minister knowledgeable about these matters should be the minister who deals in them. So far as I know the Minister of Revenue, the member for York East, while he is beginning to learn about them, has had no personal experience in the question of speculative land gains. It would seem to me to be quite appropriate—do you remember, Mr. Chairman, that when Franklin Roosevelt wanted to deal with the Securities and Exchange Commission in the US he appointed Joe Kennedy to take charge of the Securities and Exchange Commission, because Kennedy had made all his money during the 1920's. He knew all the rules of the game, and Franklin Roosevelt came in—

Mr. R. F. Nixon: He knew how to get around every one of them.

Mr. Renwick: And Franklin Roosevelt came in in 1932 and established the Securities and Exchange Commission and appointed John Kennedy. Wouldn't it be the part of wisdom on the Tory government to—

Mr. Worton: Joe Kennedy.

Mr. Renwick: Yes, Joe Kennedy. Wouldn't it be wisdom on the part of the Tory government to suggest that the person responsible for the operation of this should be somebody knowledgeable about what has taken place?

Mr. Worton: They have several.

Mr. Lewis: How do you choose?

Mr. Renwick: It is very difficult to choose, because after all, you have the member for St. Andrew-St. Patrick (Mr. Grossman); you have the member for York Mills (Mr. Bales); you have any number of members; and then there are those members about whom we in the opposition know little—

Mr. Lewis: And don't wish to know.

Mr. Renwick: —but who we significantly believe have substantial land holdings in the Province of Ontario, and rather than—Mr. Chairman, rather than—what is that three-some operation in Russia that they have—

Mr. Breithaupt: The troika.

Mr. Renwick: The troika—rather than have a troika, which I think would be inimical to the interests of the people in our province, because we are not used to that term—

Hon. Mr. Winkler: Some people snap their fingers, some throw their glasses away.

Mr. Renwick: I would suggest, and I now move that the word "minister," which means the Minister of Revenue, be deleted to mean, "The minister means the member for Bellwoods" and I so move.

Mr. Chairman: Order, please. That is a frivolous amendment and will not be accepted.

Mr. Lewis: What is frivolous about it?

Mr. Chairman: It is frivolous. Shall clause (h) stand as part of the bill?

Mr. Renwick: Mr. Chairman—

Mr. Chairman: Carried.

Mr. Renwick: What do you mean carried? I am still on my feet.

An hon. member: Not for long.

Mr. Chairman: Order, please. Clause (h) stands as part of the bill.

Mr. Renwick: You have got to rule, Mr. Chairman.

Mr. Chairman: Order, please.

Mr. Renwick: Mr. Chairman, after all, I am a lawyer and the only way those things can be ruled out is if you call them both frivolous and vexatious. Prepare to rule it frivolous and vexatious—

Mr. Chairman: It is frivolous and vexatious. It is out of order.

Mr. Renwick: But the point is well made.

Mr. Chairman: I declare clause (h) standing as part of the bill in section I.

Mr. Renwick: Do you declare it; and my friend had nothing to say about it?

Mr. Chairman: Any comments, questions or amendments on clause (i)?

Carried.

On clause (j) the hon. minister has an amendment.

Hon. Mr. Meen moves that clause (j) of subsection (1) of section 1 of the bill be amended by inserting after the word "costs" where it occurs the second time in the first line, the words "including interest payments and property taxes."

Mr. Chairman: Shall this motion carry?

Some hon. members: No!

Mr. Chairman: The member for Huron-Bruce.

Mr. Gaunt: Mr. Chairman, I must say I am somewhat confused with respect to this particular section—

Interjection by an hon. member.

Mr. Gaunt: —because I had understood from the minister earlier that farmers would have the advantage of the 10 per cent, plus the advantage of this section.

Now I must be missing something, because it says halfway down in the section:

> But no deduction shall be made with respect to income earned from farming the designated land by a farmer who is carrying on farming thereon and whose chief source of income is from farming and who owns the designated land.

That tells me that this doesn't apply to him.

Hon. Mr. Meen: No, Mr. Chairman; that's a deduction from the 10 per cent maintenance cost.

Mr. Gaunt: A deduction? I am sorry, would the minister come again on that? This is a deduction from the 10 per cent maintenance cost? In other words, you get your 10 per cent maintenance cost and then this is deducted from it?

Hon. Mr. Meen: In the case of farming, the limitation is 10 per cent, but here is the definition:

> Maintenance costs means all costs, including interest payments and property taxes, incurred in connection with maintenance of the designated land to which the expression has been applied, other than costs incurred in connection with the disposition of the designated land—

Mr. Renwick: Yes, but it is 10 per cent or the lesser.

Hon. Mr. Meen: And, if the hon member will look at this:

> And after deducting any income howsoever earned by the transferor from the designated land, including income from his own use of the designated land or from the granting of any right or interest therein.

So that you have your net maintenance costs always identified; and then you deduct from those, to determine what becomes your net maintenance cost, your income earned from the property—except that if you are a farmer on the designated land you make no such deduction.

Mr. Renwick: Oh, forget the farmer, we will deal—

Hon. Mr. Meen: And so you got your full maintenance cost of interest payments, property taxes and the like, up to a total of 10 per cent.

Mr. Chairman: Shall this motion carry?

Mr. Gaunt: No, Mr. Chairman. I would like to—Does the member for Riverdale want to speak on this one?

Mr. Renwick: Well, I am only speaking for the purpose of trying to understand what the minister is now saying about this section of the bill. Because this raises for the first time—and I am in the minister's hands, Mr. Chairman, as to the point in time that he wants to discuss the question of whether net maintenance costs are related to the question of the costs incurred for the purpose of renovation. This is a major problem in the bill on the basis of the tax jurisprudence as it presently stands. I don't believe this bill is adequate to change that tax jurisprudence without very clear and significant indication from the minister on what it's about. Now that may all sound gobbledygook; but then tax jurisprudence is that way.

The minister tells us he is now defining the term "net maintenance costs," and he has proposed an amendment to include interest payments and property taxes. Apart from that, the definition of net maintenance costs is identical with the definition as it appeared in the bill originally presented to the Legislature.

As I understand it, the only signficance of the term net maintenance costs relates to the

previous section of the bill, which has been dealt with. And that is the question of adjusted value. In adjusted value there is a reference to the fact that the fair market value should be so and so and so and so, determining the cost of improvements made by the transferror to the designated land after April 9, 1974. And then in sub (iv) it says:

> For each 12-month period that does not commence earlier than the 9th day of April, 1974, during which the transferor owns the designated land prior to his disposition of it, the lesser of either, (A) 10 per cent of the amount determined under either subclauses (i) or (ii)—

That's the cost of the land for practical purposes depending on whether it was befor or after April 9, or—and I come to this:

> —or the aggregate of 1. the net maintenance costs incurred by the transferor after the 9th day of April with respect to the designated land and the cost incurred . . . in connection with the disposing of the designated land . . .

That's a separate question.

What we're now talking about is something called net maintenance costs, which are going to be added to the question of the acquisition costs for the purpose of determining the adjusted value in order to determine whether or not, for practical purposes, there will be a tax levied.

I'm simply saying to the minister—I assume up to this point he agrees with me about that question. I would like to have the minister's explanation of where else in the Act the phrase net maintenance costs comes into operation?

Hon. Mr. Meen: By and large I agree with the member, but I want to draw to his attention, since he was asking the question whether improvements and capital investments for repairs and the like, would be included in net maintenance costs that I say no, they aren't. We've got a special section there under subclause (iii); he may have noticed it under section 1(1)(a)(iii); it deals with the cost of improvements made by the transferor. That's included in the base. It's not included in net maintenance costs but it's certainly included in what the farmer may add in order to determine his adjusted value.

Mr. Renwick: No, we're not talking about farming here.

Mr. Chairman, on a point of order, I think we agreed a little while ago we would deal with the question of the implications of this tax for the farming community when we came to the question related to the specific exemption under section 4 subsection (h) of the Act. We've got to have some clarity about an immensely complicated bill. I do not want to deal with the farming question until we arrive at that point in time.

That's why, as I understood it, we stood down the question of the definition in clause 1, subsection 1, subclause (v); and section 1, subsection (1), clause (e), the definition of farming; subsection (1), clause (f) the definition of farming corporations.

I'm now talking apart altogether from the immensely important interface between farm land and urban land and speculative land operations. I'm now talking about a very technical question about net maintenance costs. So far as I understand it, Mr. Chairman, the only place net maintenance costs are of significance is with respect to the determination of adjusted value in the definition which was imposed in subsection (1) clause (a) of section 1 of the bill. All I'm trying to do is to delimit the area of debate. That's my understanding of the only place where net maintenance costs are of any significance. The point I want to make, Mr. Chairman, is that that poses a fundamental problem with respect to those questions about what are involved in the term net maintenance costs as distinguished from the questions which are involved later on in the statute, that is the questions with respect to those transactions in land which may be exempt because they happen to include in the operation the phraseology that the transferor has renovated or caused to be renovated at a cost of not less than 20 per cent such and such amounts of the value.

The minister knows what I'm talking about. The minister knows very clearly what I'm talking about. I'm talking about the problem of determining what are maintenance costs as distinct from what are alterations and improvements which may be included in renovation costs. I'm talking specifically about the decision of the Exchequer Court of Canada in the case of Canada Steamship Lines and the Minister of National Revenue in 1966.

Mr. Chairman, I know that this is difficult. I know for those of us who have only a smattering of knowledge about tax jurisprudence that these things tend to become tedious. But they are of immense importance with respect to the question of taxing statutes as to whether or not expenditures made by a

person who owns land on which there are buildings – and he expends the money – whether the dollars which he expends will be determined to be included in the phrase net maintenance costs, on the one hand, or whether they will be determined to be within the expression used subsequently in the bill, in particular in section 4(g) of the Act, whether they will be considered to be renovation costs.

I realize there is practically no political sex appeal to the point which I am trying to make. From the point of view of tax jurisprudence, from the point of view of the problems which the minister is interjecting into the tax community, I am simply saying in my judgement this is one of the fundamental flaws in the bill.

You face people with the impossible situation. On the one hand, for income tax and capital gains tax purposes, you are arguing the expenditures which they make are deductible for tax purposes, and on the other hand you're saying to them the identical expenditures which they make in that year they must try to include as expenses which are incurred for the purpose of renovation in order to escape this tax.

I am simply saying that this is irresponsible tax legislation on those technical terms. I'm not suggesting for one single moment either that I'm a tax expert or that other people in this Legislature are tax experts, but I am saying to the minister that in the strange way in which you have brought in this bill you have totally overlooked that problem.

And one does not have to approve or disapprove of land speculators. One doesn't have to approve or disapprove of what may be done in the building community. But you cannot place people in legitimate business operations in situations where they've got to argue under the laws of the Province of Ontario that an expenditure which they make is for renovation purposes; and that for the purposes of the Income Tax Act of Canada and the Corporations Tax Act of the Province of Ontario they are maintenance costs.

Frankly, I think the minister and his advisers didn't appreciate that problem and that they still don't understand it. I'm simply saying to the minister that I am not prepared to allow a section of the bill disguised as a very technical amendment under subsection (1) of the Act about net maintenance costs to drift by because they think we don't understand its consequences. The consequences are immense and there is no way anybody can resolve those consequences until the minister makes a definitive statement.

There are no notes from his adviser on a small slip of paper that can solve this problem. I raised the problem on second reading, and unless he has a definitive answer today about the problem—and the minister during the course of second reading to me communicated that he understood what I was talking about—there's no way that a slip of paper can answer that problem.

I am prepared to listen to the minister, but if the minister cannot give me the answer—and I am very sorry, I have to leave at about 9:15 tonight.

Mr. I. Deans (Wentworth): No, you don't. The leader has cancelled it.

Mr. Renwick: There is absolutely no way that that can be done.

Mr. Lewis: It is done. It has been done now. I am asserting my leadership.

Mr. Renwick: It's unfortunate, but others of my colleagues can read into the record, Mr. Chairman, the important part of an article which appears in the income tax handbook in 1972, the 22nd edition, on tax reform by Arthur W. Gilmour. Even in the NDP there can come moments of rebellion.

Mr. Lewis: Now, now, now!

Mr. Renwick: You are about to see one of them. I am rebelling against the leader of the party and the House leader of the party. As chairman of caucus, I am quite certain if I rebel all the other members of caucus will walk out with me.

Mr. Lewis: And particularly those who attended a United Church function.

Mr. Renwick: I have an equal feeling in the intense interest which is exhibited in this debate that the Liberal Party members will walk out with me and the Tory backbenchers—

Mr. Lewis: What backbenchers?

Mr. Renwick: —will walk out with me; and you will never ever get a quorum again, Mr. Chairman.

Mr. G. Nixon (Dovercourt): Right here.

Mr. Lewis: There is no back bench to speak of; there is a thin front bench.

Mr. Chairman: Order please.

Mr. Renwick: Mr. Chairman, I have another two and a half minutes and then I have to go.

Mr. Deans: You have got 15 minutes.

Mr. Renwick: Well all right. My friend the House leader is trying to quell the rebellion.

Mr. Lewis: Do you want me to read that into the record?

Mr. Renwick: No, I would like to deal with it briefly; then my friend, the leader of the NDP, will deal with the topic "Attitude of Canadian Courts."

Mr. Lewis: Right.

Mr. Breithaupt: At some length.

Mr. Deans: We better have a very long vote.

Mr. Renwick: Let's not fool around about it. Those of us who engaged in the practice of corporate law and who wanted to be knowledgeable about the tax implications of various matters always turned to a book called Gilmour's "Income Tax Handbook." It is still called a handbook because when the first edition came out, which I have to say was just shortly after I started to practise law, it was in fact a handbook. He was a partner of Clarkson Gordon and still is. It's now in the 22nd edition. The Minister of Revenue knows about it. If he doesn't know it—

Mr. Deans: He bloody well should.

Mr. Renwick: —he should never have been practising the kind of law which he was practising. This man tried to state in simple terms for people what was involved in the taxing statutes; in other words, to demystify the whole game. I am talking about the 22nd edition which is the "Income Tax Handbook, 1972," Arthur W. Gilmour, partner of Clarkson Gordon and Co., page 365, chapter 11, repairs, alterations and improvements.

He goes on at some length to set out the very distinctions which must be made for the purpose of determining—let me qualify my language—whether an expenditure made in the course of a year would for tax purposes be classified as an expense deductible in the year or whether it must be capitalized as an expense deductible for the purposes of the depreciation and amortization schedules. The minister nods, the minister understands that distinction. The difficulty of distinction always is to apply the principle to the particular circumstances. Is that correct? And, the minister nods again.

Then there are current accounting practices relating to repairs and improvements, which is the second heading in the course of his chapter on this particular problem. He then deals with the attitude of the Canadian courts, and he deals extensively with the case of Canada Steamship Lines Ltd. and the Minister of National Revenue.

Mr. Chairman, I want to make very clear to the minister with a perfect analogy—that is, the scraping out the whole hull of a ship to re-do the whole ship; to turn the ship from an Onassis oil tanker into the Queen Elizabeth II or to turn a corvette into an Onassis luxury liner.

Mr. Lewis: Kind of like turning Meen into White.

Mr. Renwick: Yes, that is the kind of problem which is involved—whether these expenditures are or are not deductible for tax purposes depending on what is beneficial to the taxpayer. But, the problem for a taxpayer is, you can't blow hot and cold. You can't do it one way for one tax purpose and another way for another tax purpose, because all of the taxing statutes are distinguishable in the sense that they are uniformly implied in the question of that relationship, unless the minister gives some guidance. And the minister gave no guidance.

My leader, the leader of the New Democratic Party, will undoubtedly read into the record during the course of my absence the decision of Mr. Justice Jackett, the president of the Exchequer Court in that particular case. Because it was of significance that the major costs which Canada Steamship, having gutted ships, wanted to deduct for tax purposes were in fact deductible because there was something called net maintenance costs and repairs. But, they were not available for renovation purposes.

The argument that I am making to the minister is that the 20 per cent renovation clause is meaningless, when we come to it further on in the clauses of the bill. It is meaningless because of the confusion which it is going to establish.

But you know, Mr. Chairman, the funny thing about it is that if the minister and his advisers and the government had known what they were about, they could very well have solved the problem. And that is exactly what I am trying to say—that the

government has brought in a bill precipitately, without thought, without due knowledge of what is required.

I can always tell when the minister is concerned about my remarks because he looks all around the room, but not at me.

An hon. member: He can't stand it.

Mr. Renwick: Now, look at me because I am now going to quote to the minister, again from Gilmour. And they did solve the problem in this particular situation. At this particular point, I'm not talking about whether I approve or disapprove of what the minister is doing in the bill. I am talking about the taxpayer. I disapprove of what the minister is doing in the bill and that should have been abundantly clear. Whether I approve or disapprove, I am not prepared to leave the taxpayer, under a taxing statute of the Province of Ontario, in a situation in which he doesn't know where he stands. I am accusing the government of total incompetence in the tax field.

Hon. A. Grossman (Provincial Secretary for Resources Development): Shame. Withdraw.

Mr. Chairman: Order, please.

Mr. Renwick: Mr. Chairman, I don't withdraw and I accept the reprimand you gave to the Provincial Secretary for Resources Development because he deserves that.

Mr. Deans: He should have been reprimanded years ago.

Mr. Renwick: This government has fooled around for so long with its version of kidding about with people who make profits, mainly corporations, in the Province of Ontario, that its sole response is to adapt our taxing statutes to the federal ones. It has become lazy, inadequate and incompetent in dealing with the fundamental concepts of taxation. It has done it in this bill. It has launched an initiative in this bill from an atrophied base of tax knowledge, tax skill and tax ability.

We have sat through amendments to the Corporations Tax Act of the Province of Ontario which have always been introduced on the basis, "We are doing this because they did it up in Ottawa." This time the government is trying to do it itself. I am telling the Conservatives that unless they get some tax experts, they are inevitably wrong, not because of the merit or demerit of the tax—as a matter of fact, as an exception, I am going to repeat myself once tonight.

Hon. Mr. Meen: An exception?

Mr. Renwick: Yes. The exception tonight is I am simply going to say to the minister, you can't do this to taxpayers, be they farmers, businessmen, speculators or anybody else. They are entitled to know what the rules of the game are.

When the federal government, because it is sophisticated, had to deal with this kind of problem in taxes, strangely enough they had a heading "Expenditures for repairs, replacements, alterations or renovations" capitalized under "Uniform classifications of Canadian Transport Commission." It goes on to say:

> Where a uniform classification and system of accounts and returns prescribed by the Canadian Transport Commission requires that an expenditure incurred by a taxpayer for repairs, replacements, alterations or renovations of depreciable property of a prescribed class shall not be written off as an expense [Do you get that?] but shall be treated as some other manner than:
>
> (1) No deduction in respect of the expenditures may be made in computing the income of the taxpayer for a taxation year.
> (2) The taxpayer shall be deemed to have acquired depreciable property of the prescribed class at a capital cost equal to the amount of the expenditure.

Let's get it clear. Let's not fool around.

The government of the Province of Ontario can't get away with the trite phrase of the Treasurer of the Province of Ontario that he must bring in a series of amendments over the years to cope with the problem, or suggest for one single moment that the government is embarking on unknown seas. There are no unknown seas in the field of taxation. The seas are well known.

The distinction between capital expenditure and current expenditure is elementary and the minister, his advisers, the government, the Treasurer are incompetent.

Interjection by an hon. member.

Mr. Renwick: All right. It is very nice to smile and laugh and so on. You have no idea of the immense consternation you are talking about.

If I wanted to subsume a principle, it would not be a question of distinguishing this person, in a subjective sense, as a speculator, distinct from that person. Or, as the Leader of the Opposition in the Liberal Party had to say, how do you distinguish a speculative farmer from a non-speculative farmer? Or as my friend, the member for

Kitchener had to say, how do you distinguish those things? You can't distinguish them any more than your colleague who is absent from his seat tonight, but usually sits to your right, could distinguish who is the speculator in land and who isn't. That is no criterion on which to make any judgement of any value in tax purposes.

Mr. Deans: That's the key, that's the key.

Mr. Renwick: And this is why I hope my friends on the right will understand that you can't fight a bill on that principle. What we are saying to the government, and saying very clearly to them, is that we in the New Democratic Party are clear. We understand intellectually, we understand emotionally, what the problem is. We are not prepared to allow the Tory government—disguised as a venture into new areas—to display its incompetence at the expense of the ordinary citizen.

Because, Mr. Chairman, I was up at—you know, I don't know why I ever accept this kind of engagement—Trent University with my friend, the member for Oxford (Mr. Parrott), and with my friend, the member for St. George (Mrs. Campbell). And in the course of the discussion, a man from the area stood up and said to me, "I have bought a parcel of land as my investment, as a person who is a Canadian citizen, born and brought up. I bought it out of the money that I saved." He finds now that he is going to be subjected to a tax at the rate of 50 per cent on the profit, and he said, "I think that is wrong."

Now, you had better start listening, because you can't make the distinctions unless you lay down the rules. A lot of peole don't understand, but the minister probably remembers—the man's name escapes me—the men who made the killing in Shell Oil before we had the insider trading laws.

Hon. Mr. Grossman: Shulman?

Mr. Renwick: No, no, no. He's a member.

Mr. Deans: Charlie Shulman, remember him?

Mr. Renwick: The member for High Park is a former member of the Conservative Party. This fellow still is a member of the Conservative Party. You know, he has renovated all those houses on Yorkville. Do you know what the Canada Steamship case says? That all of those renovations are repairs. They are not renovations.

Now, whether you take this view or that view of the question of sandblasting brick houses in Toronto, gutting them, replacing the wiring, making them look immensely attractive, whether its in Trefann Court, whether it's on Wellington St. W. where Sir John A. Macdonald used to live, whether it's the streets on Church St., or whether it's houses in Donvale, I want the minister to know that on the basis of the Canada Steamship case, as I read it, they do not reach the 20 per cent criterion. And therefore they do not escape the tax.

And again, I am saying I don't understand the pros and the cons of that kind of civic renovation. I am inclined to think that that is a good thing for the city. But you are imposing a 50 per cent tax on that kind of renovation. Other people, including members of my party, may have different views about whether or not the renovation of a house in Trefann Court should or should not be subject to the 50 per cent tax. But I am simply saying that the gutting of old houses and the renovation of them under this minister's bill is, for all practical purposes, maintenance costs only and has nothing to do with their ability to avoid the 50 per cent tax under the provision later on in the bill.

I am only using this as an example. I don't pretend to suggest that I know, but as I read the Canada Steamship case which was before the court—I have now got to go because I have overstayed my time.

Mr. Lewis: But you are making very interesting points.

Mr. Renwick: What was that chap? What did they say to that chap? Good God, go now—or you stayed too long here, eh? I remember Amory said that time in the House of Commons—

Mr. Breithaupt: Don't stand upon your going, but go.

Mr. Renwick: And I think somebody else said that at the end of the Long Parliament, but—

Mr. Lewis: —exactly what Charles said before the axe fell on his head.

Mr. Renwick: I think it was the end of the Long Parliament, or something. "You have sat too long here," or "Good God, go," or something like that, and I would be glad if somebody would give me that admonition, because I want to go anyway.

I think, perhaps, Mr. Chairman, I have kind of made the point I want to make which is that you can't fool around. You are supposed to be a government of competence.

This bill shows you to be a government of dismal incompetence and this definition of net maintenance cost, and your lack of appreciation of the problems raised for tax purposes in Gilmour's book just leaves me kind of cold.

I can't say anything more. I can't change anything about it, but I want the minister to understand that I think it is a disaster, and the disaster is only measured by the fact that once again, of course, the Treasurer, who introduced the bill—because he always has these flashes of insight at the last minute just before budgets come in. I said to my colleague, the member for Parkdale (Mr. Dukszta), last night, that the last chap who really had one of those flashes of insight at least had the grace to change his name from Saul to Paul. The Treasurer never has the grace to change his name when he has one of these insights of his as to what we are going to do. We were going to tax food, and then we were going to tax fuel, and now we are going to tax land. The progression is almost what could be—

Mr. Deans: The man is not very bright.

Mr. Renwick: —said with respect to—

Mr. Deans: He is taking you right out of the picture.

Mr. Renwick: —you know, it's unfortunate that the man is no longer here, but Sigmund Freud would designate his insights as a form of hysteria, intellectual hysteria against which all of us must defend ourselves. Thank you, Mr. Chairman.

Mr. Lewis: That is rather well put.

Mr. Chairman: Shall subsection—The member for Huron-Bruce.

Mr. Gaunt: Mr. Chairman, as I understood the minister, this section, plus subsection 5, which we discussed earlier on, would mean that a farm property—and I am getting back to that now—would double in price in 4½ years. As I read this section, I think it's the lesser of the two and not an accumulative progression.

Hon. Mr. Meen: Perhaps I could be of some assistance in that respect. The 10 per cent is the top limit, but it assumes he spends that amount each year on legitimate net maintenance costs. They are limited to 10 per cent of the original acquisition cost of the property, but that is in addition in the case of farm land, in its totality, up to 10 per cent. But it could be less than that, if he spent less than 10 per cent on the acquisition property—

Mr. Gaunt: So it could be less?

Hon. Mr. Meen: Yes, it's 10 per cent—it's the lesser of 10 per cent, i.e. a ceiling of 10 per cent, or the actual net maintenance cost. It could be less than that, but that's a fairly generous figure if you look at taxes, for example, and if you look at interest on a mortgage that represents a part of the total value, and so on.

The member for High Park made the point the other night that if you had a mortgage to an amount equal to the whole of the value, you could well go over the 10 per cent in net maintenance. I feel you could, but in the normal farm operation, the amount of any mortgage encumbrance is going to be a good deal smaller than the actual acquisition, or you might say base cost, as I am inclined to say.

An hon. member: You're right.

Hon. Mr. Meen: So, in the net effect, the 10 per cent is probably a realistic level. I don't think in many cases they would get to that, but the actual expenditures that they would make are not unduly low and too depressing. But in a farm operation, up to that total amount of their expenditures, whatever they are, up to a limit of 10 per cent of the base price, would be added in each year on an annual basis, non-cumulative.

Mr. Gaunt: So there is no possible way that the value of the property would double in 4½ years? It would be 7½ years?

Hon. Mr. Meen: Oh no, the hon. member is missing the fact that in addition to that there is the 10 per cent per annum cumulative. What I am talking about is the simple per annum basis with respect to costs; and he can use that to add on each year. But in addition to that, he gets 10 per cent of the base cost, which is cumulative and is unrelated to any expenses he incurs so long as he keeps it in the family and as a farming operation. When those two are added together, if you take the one cumulative by itself, it would be about seven years before that would roll up to double. If you take that and combine it with the simple rather than the compound arrangement for net maintenance costs, up to 10 per cent, and assuming they do go to about that limit each year, then in about 4½ years you have doubled up on the price.

Subsection (j), as amended, agreed to.

Mr. Chairman: Are there any comments, questions or amendments prior to and including clause (l)?

Hon. Mr. Meen moves that clause (l) of subsection (1) of section 1 of the bill be amended:

(a) By striking out "includes" in the first line and inserting in lieu thereof "means;"

(b) By striking out "or" at the end of subclause (i); and

(c) By deleting subclause (ii) and substituting the following therefor:

(ii) Where designated land is transferred to comply with the terms of an option that provides for the acquisition of the designated land, and that has been exercised, the value of the consideration given for the granting of the option, plus the value of the cost provided for in the option of acquiring the designated land upon the exercise of the option, or

(iii) An amount equal to the fair market value of the designated land disposed of where the disposition is

(A) A transferor to a person or persons with whom the transferor is not dealing at arm's length at the time of the disposition;

(B) To a corporation in consideration of the allotment and issue of its shares;

(C) To an organization, syndicate, association of persons, partnership, joint venture or corporation without share capital in consideration of the admission to membership therein of any person, or

(D) By way of gift.

Mr. Breithaupt: Mr. Chairman, I was just wondering if the minister could enlighten us as to the reasons for bringing in these changes to the definition and what particular problems there were in the earlier description of the words that have been developed further as a result of this change?

Hon. Mr. Meen: Yes, I would be happy to, Mr. Chairman. It is a complicated one too.

This new amendment deals with options and draws a distinction between buying an option and exercising one. I might say that it spells out in detail the meaning of proceeds of disposition as that term applies to dealings in these options—the sale and transfer of an option—and the exercise of the rights under those options that results eventually in the acquisition of the land.

Clause (l), as amended, agreed to.

Mr. Chairman: Are there any comments, questions or amendments prior to clause (p)?

Hon. Mr. Meen: Mr. Chairman, I have an amendment to clause (p) but I might just ask you at this point if it is really necessary to read it in full—under the rules of the House it isn't. I will abide by your ruling, but this is a long amendment, and it seems to me a needless use of the House's time to go through it when it is all printed right in the bill.

Mr. Lewis: It is then printed in the bill, I take it? Why not take it as read?

Mr. Chairman: Does the House agree to dispense with the reading?

Mr. Lewis: Sure.

Mr. Chairman: Shall the amendment carry?

Motion agreed to.

Mr. Chairman: Are there any comments, questions or amendments prior to section 9 on page 10?

Hon. Mr. Meen: Section 9—you meant subsection 9, I think, Mr. Chairman?

Mr. Chairman: Yes.

Hon. Mr. Meen: There is a minor amendment in subsection 6; I think you will notice it in your copy.

Hon. Mr. Meen moves that in the third line the word "and" to be changed to read "or."

Mr. Chairman: Shall this carry?

Motion agreed to.

Mr. Chairman: Are there any comments, questions or amendments prior to subsection 9, page 10?

Hon. Mr. Meen moves that section 1 of the bill be amended by adding thereto subsection 9 as it appears on page 10 of the reprinted copy.

Mr. Chairman: Shall this amendment carry?

Motion agreed to.

Section 1 agreed to.

On section 2:

Mr. Chairman: Are there any comments, questions or amendments prior to section 2, subsection 2?

Mr. Breithaupt: On section 2, Mr. Chairman. This is the section in which the minister had suggested an amendment would be placed by him to ensure that the tax rate would not

be greater than 50 per cent no matter what the interpretation might be by the federal authorities as to the deductibility of certain expenses, and as to the deductibility of this tax from the federal amounts which would be otherwise payable. Does the minister have that amendment now to put before us in section 2?

Hon. Mr. Meen: Mr. Chairman, I recall a discussion on that at second reading or earlier in this debate, I have forgotten which; I guess it was last week in committee. We have looked into this and that does not appear to be appropriate, notwithstanding that it occurred to me as being not a bad idea to place a limit of 81 per cent or 87 per cent if it was a private corporation or a public corporation.

My advisers tell me that if we put in such a provision as that—for example, as was suggested by the member for Ottawa Centre (Mr. Cassidy) that we put in a limit of 90 per cent as the outside top figure—we would be inviting an interpretation in the courts on the question of our position in the scale of tax levying on the taxpayer. I don't think the members opposite would want to see the province deprived of that income by having that sort of thing disallowed; that is, having our position disallowed.

What we have said is that if the rules as applied by Ottawa in the past continue to be applied—and I think any taxpayer is entitled to assume the laws will remain as they are when he governs his own affairs and establishes his own course of action—if we were to put in such a top limit we would be inviting an interpretation that could lead to an adverse ruling on this Act. I therefore suggest we should not do it.

I would not want to put it into the Act. It would be the Act that would be taken before the courts for interpretation without benefit of Hansard or any previous bills or anything of that sort. I have assured the members that if it were to happen and an interpretation rendered the taxpayer in a disadvantageous position, paying higher than the rate we presently anticipate, and in a position of paying virtually confiscatory tax, which would place that taxpayer in a position where he would not want to put his lands on the market—indeed, he couldn't afford to put them on the market—then we would take suitable steps, but at this time it would be folly, in the opinion of my advisers, to include such a provision in the Act.

Mr. Breithaupt: Mr. Chairman, that is a substantial disappointment to those of us who had received the benefit of the minister's early comments. I think it was clear, certainly at the time these original comments were made, that we were well aware that any interpretation of this statute would be without the benefit of Hansard or without the benefit of any articles in the media concerning the intentions of the Legislature.

Those of us who are lawyers have well known the phrase with respect to the interpretation of statutes, wherein a judge may say something to the following effect: "The Legislature, in its wisdom, has passed a certain section I am not about to look into Hansard or anything else, but simply am going to interpret the section as it appears within the statute to which I am turning my attention."

Now, this seems to us to go to the basic principle of this bill, because as the earlier debate set forth a week or so ago, a debate which took up several hours of the time of the House, we were particularly concerned with the matter of federal interpretation and accommodation of the principle to which this bill was pointing itself.

It seemed important at that point, as it does to us now, to once again call to the attention not only of the House but to the public of this province, that this statute has been so drawn as to not be a sure and clear tax statute. It is, of course, a commonplace that any of these statutes that deal with taxation must be very clear. They must not be open to a variety of interpretations and they must be so construed and designed that the courts will only be able to have one clear and obvious interpretation of the words that are meant.

The minister earlier on had accepted the view that some kind of phraseology would be necessary in this bill to ensure that the principle we were called upon to support would be the one that would guide the citizens of Ontario no matter how other courts might view the ability, or lack of ability, to deduct these various expenses, especially with respect to federal taxation.

Now, the minister earlier on had talked about the rules of the game. This evening, he comments that, of course, citizens must be able to make some kind of disposition or plans in the light of the law as it is.

We have no reason at this point to know whether, in fact, the minister's interpretation of the law will be the correct one. I suggest it is wrong to pass a section in this statute which will require the interpretation of the courts and which will be so uncertain as to

bring us back for further amendments to the section.

The minister was going to bring in an amendment, as he had suggested earlier, but now feels that that amendment would weaken the case of someone who chose to rely on this Act.

I suppose it would weaken the case if, in fact, there was some strong guidance, some strong statement in this House that these matters had been looked into and that they were clear. But, the minister and presumably his advisers, have not chosen to make those statements. We simply don't know whether this statute will bring the kinds of benefits of deductibility that the minister believes it would do. Surely that whole debate of a week ago led us to the conclusion that the minister was uncertain as to the whole result that this would bring. Perhaps if the minister is certain now he could advise us.

Hon. Mr. Meen: Mr. Chairman, I told the members last week, and I'll repeat it for the benefit of those here tonight, that no one can really be certain of the application of a new Act until it has been in force for a time. There are always court interpretations on these new pieces of legislation.

What we are convinced of is that we are right. We believe that this being a tax on land and with respect to a transaction, falls squarely within the practice that has been followed under the federal legislation up until now, as an allowable expense of doing business and of the conduct of the affairs of the taxpayer and is completely unrelated to his taxable income in the taxation year. He could have a loss picture or he could have a very profitable picture. His tax is unrelated to that. We believe—and it's the best tax advice we have, both in this government and elsewhere, but within our own staff primarily—that this is a perfectly allowable deduction, and we believe that the Treasurer's approach is absolutely correct.

All I'm expressing any misgivings about is that at least one tax consultant has indicated some doubts in his mind; others have said no, they had no doubts, it looked as if it was a satisfactory allowable expense. But there was one who had, I think, the temerity to take the opposite position and cast some doubts in the commercial community, because it is a quite respectable concern.

Mr. Lewis: Who was that? Who was that?

Hon. Mr. Meen: It was quoted by your friend, and so I was—

Mr. Lewis: I'm just asking you who it was, that's all.

Hon. Mr. Meen: Well, it's Peat Marwick.

Mr. Lewis: Mr. Marwick?

Hon. Mr. Meen: Yes. They are a very responsible firm.

Mr. Lewis: They are.

Hon. Mr. Meen: They did not say that it was not deductible; they said there might be some doubt as to whether it was. We don't think there is any doubt. But they have, therefore, because of their stature in the community, cast some doubt on this.

When the hon. member for Ottawa Centre was discussing this I said, fine, maybe I could put something into the Act. But I think my counsel on this is a counsel of wisdom, that we as a Legislature would be very unwise to do that. Then the courts would have that to look to and might very well take a different kind of approach, if they wanted to. They could say that within the four corners of the Act there had been some doubts in the mind of this Legislature.

I'll just repeat, I doubt very much if the hon. members opposite want to prejudice the province to that extent. I think we as a Legislature would, therefore, be very unwise to incorporate it.

Mr. R. F. Nixon: Does the minister really mean that he feels, and his advisers feel, that if he were to add something cogent to that section saying that the overall tax payable would not exceed 90 per cent, or some reasonable figure, the people in Ottawa are liable to say "Aha! These people have some doubts about the constitutional validity of their case, or the interpretation of the regulations or the procedures or customs, and therefore we should probably keep the money for ourselves, because the people in Ontario are not going to increase the tax"?

Surely the minister has got to make it clear to the House—as the hon. member for Kitchener has said—in the statute, his intention, which he has stated clearly, that the tax is not going to be levied at both levels? I don't know how he is going to do that unless he puts it in the bill.

Hon. Mr. Meen: We can't stop it from being levied at two levels if that comes about by the action of the federal government and is confirmed by the courts. I can't stop the communication of the transcript of the proceedings in this House from being communi-

cated to the federal government. They are doubtless aware of the nature of our discussions on this. But what I can preclude, and what we as a Legislature can preclude, is the inclusion in a bill of any such section that would give rise to a similar kind of discussion in another forum, that's all.

Mr. R. F. Nixon: Yes, but didn't you say that there would not be double taxation and that you undertook to see that there would not be?

Hon. Mr. Meen: I have said that it is not the government's intention to have confiscatory taxation; that we consider that something of the level of 80 to 90 per cent of the overall proceeds, you might say, of a transaction is a sufficient disincentive to speculate. That's the point I'm making, and I have said that if it should turn out that the position we have taken was held by the courts to be untenable and that the taxpayers wound up having to pay a tax of the order of 110 to 112 per cent, then we would certainly see that our own tax was adjusted. We would have to take some kind of steps to see that the taxpayer did not sustain a confisuatory levy.

Mr. J. E. Bullbrook (Sarnia): You said there would be a rebate.

Hon. Mr. Meen: Well, that tax has been paid.

Mr. Chairman: Order please, the hon. member—

Mr. Lewis: You would, in fact, amend the legislation or provide to those who have been thus confiscated an equivalent. But what perplexes me, Mr. Chairman, is that I really don't understand the processes here, and perhaps that is because we don't have the same sophistication over here that you have there.

I understood when the Treasurer said that it was impossible for him to discuss the matter with Ottawa before April 9, because one doesn't want to discuss with large numbers of people the introduction of a speculative land tax. All right, that is fair. This is, you claim, the first tax of its kind, specifically applied to land, and therefore you don't want it to leak into the community inadvertently. So you apply budget secrecy. And before April 9 not a word is said.

Five weeks have passed since April 9. How is it possible that you haven't yet sat down with the senior tax consultants of the Ministry of National Revenue in Ottawa, and asked them if, in their opinion the tax will conform? Or asked them if the deductible features continue to apply? And said if so, can you give me your recommendation in writing so that I can present to the provincial Legislature of Ontario an indication from federal tax experts that this will not result in a confiscatory consequence?

Five weeks later you continue to put this bill through the Legislature. You're in clause by clause, and you still don't have that kind of guarantee or commitment. We are still in this never-never land where the Leader of the Opposition is asking you for a commitment. I suspect the Liberal Party probably has an amendment drafted, which would put an upper level on it of 85 or 90 per cent. Perfectly intelligent, perfectly acceptable. At least it would safeguard it. And why shouldn't that kind of amendment be introduced when you refuse to give us any guarantee?

Oh, you say, it's a land transaction, the tax is applied, it's independent of other taxable income, you can take a loss, you can take a gain. On the other hand, you trumpet the reality that it's the first tax of its kind, so that its consequences and application have not yet been measured, but on which you could get a professional and expert opinion from the federal tax people.

The select committee on economic and cultural nationalism got from the Peat, Marwick consultants more reports than I have ever seen produced from one consultant outfit, all of them exemplary, all of them invested with knowledge. So don't cast aspersions on Peat, Marwick in this House, using words like "temerity." If Peat, Marwick says that something about your taxing bill may be screwy or out of whack, don't cast aspersions on them. Go to Ottawa and ask the tax experts whether they can give you some data.

You are a most remarkable minister in a most remarkable government. You are a most extraordinary partisan whom, if marched to the cliff and told to walk over, would gladly walk over. I mean, you are of that kind, I understand it, I accept it—

Mr. R. F. Nixon: Polluting all the way down.

Mr. Lewis: All the way down you would be ringing cheers for those who plunged you to the death. Ready, aye ready. I've never seen such partisanship. I suppose it's good that one can sleep with one's conscience.

And on top of that, you are remarkably inflexible. It takes three hours to get you to suspend the amendments on title, it takes another two hours this afternoon to get you

to suspend the sections on the farm community, to introduce some sanity into the wording. And now, five weeks after the blessed bill was introduced, you still cannot tell us with confidence that you consulted with the federal authorities.

Mr. Bullbrook: But it's not his fault, it's the Treasurer's fault.

Mr. Lewis: Well, I suppose. But the Treasurer isn't here. All right, I accept that it's the Treasurer's fault. Where now are the notes from the mandarins under the gallery? Why don't they now flow across the floor, so you can clutch it, so you can—

Mr. Bullbrook: Where is the applause from the Speaker's gallery? Where is the applause from up there?

Mr. Lewis: Well, you know, the applause—who is up in the Speaker's gallery?

Mr. Chairman: Order, please. The hon. member for Scarborough West has the floor.

Interjection by an hon. member.

Mr. Lewis: In all of the previous debate tonight, every time there was the slightest sense of uncertainty, the notes ran from under the gallery, from those who perform your work and your wonders, and you clutched them in your hand and you read the answers back to us. Well, where are the notes from under the gallery now telling you that you have consulted with the federal tax experts? Well, I am sorry, you can dismiss it—

Mr. Bullbrook: No, you can't dismiss it.

Mr. Lewis: I want to tell you, and I admit to being a novice, that I think it is a singular failing on the Treasurer's part and on your part that five weeks after this bill was introduced, you still have not asked for a federal tax opinion as to its application. That is incredibly incompetent. That shows a kind of feckless irresponsibility on your part that doesn't engage the applause of this House. You have had a long time to deal with it.

When you are introducing a tax which a major tax consultant says may be confiscatory, if you are not certain in your own mind, if it has never been applied before, then you go to those federal tax experts and ask them for a judgement; you get it in writing and introduce it into the House, and we know where the devil we stand. You don't bring in a 50 per cent tax of this kind, replete with all its loopholes, exemptions and definitions and not know whereof you speak.

It may be fine to define the wording of this clause or that clause in conjunction with your civil service colleagues, but section 2 is the guts of the bill—and you don't know whether or not it will work. Is that clear? You are introducing a bill to control land speculation, and the central feature is undefined. You haven't got federal clearance. You don't know whether it will work before the courts, after the courts or at any time.

How do you engage the definition of your responsibility? What is this, some kind of pleasurable joy you are engaged in? What is this with the Treasurer that everything is secret until April 9, and then for five weeks he cannot find the time to discuss it with the federal people?

Mr. Breithaupt: Or even be here to listen to it?

Mr. Lewis: As a matter of fact, you can't plead the election. The minister without portfolio responsible for municipal affairs indicated to us in the question period today that he was about to conclude an agreement with the federal authority governing the development of northwestern Ontario. There will be endless provincial-federal arrangements over the next two months of the election. Why can you not give us a certain definition of what will happen?

Hon. Mr. Meen: Can I ask you one question?

Mr. Lewis: Yes, sure.

Hon. Mr. Meen: Where were you when I gave the answer?

Mr. Lewis: What do you mean, where was I? Have you got something from the federal people?

Hon. Mr. Meen: I responded in this House to that question and pointed out—and it would be two weeks ago today—

Mr. Lewis: Yes.

Hon. Mr. Meen: —that Allan Lawrence, the member for Northumberland-Durham—

Mr. E. W. Martel (Sudbury East): Who, "the white knight"?

Hon. Mr. Meen: —asked Finance Minister John Turner in the Commons, in the question period, two weeks ago this afternoon—

Mr. R. F. Nixon: Is that the way you contact the government of Canada?

Hon. Mr. Meen: —what he proposed to do—

Mr. R. F. Nixon: That's completely irresponsible. That's ridiculous.

Mr. Chairman: Order, please.

Hon. Mr. Meen: —about the question of the relativity of the two taxes. Mr. Turner said in reply that he would make no ruling on that until the bill was law. He would not entertain any application from the Treasurer of Ontario. He would make no ruling on it until the bill was law. And he knew what he was dealing with.

Mr. Bullbrook: That's terrible.

Mr. A. J. Roy (Ottawa East): Can you blame him?

Hon. Mr. Meen: Now, that is a complete explanation of the present position, and it is a completely tenable position.

Mr. Lewis: It is not a complete explanation.

Mr. Bullbrook: Are you saying that you do business with the federal government through the question period in the House of Commons? Is that what you are saying—

Hon. Mr. Meen: No, I am not.

Mr. Bullbrook: Wait, let me finish. If you are saying that, then we are bereft of direction in connection with this bill, because I understand you to say that you are relying on a response made to a question put by an opposition member in the House of Commons.

Now do you say that's an alternative to an undertaking by the Minister of Revenue? It is not up to the Minister of Finance to begin with, do you understand that? It is up to the Minister of National Revenue at Ottawa in connection with what he will say with respect to the imposition of your tax.

I don't mean to belabour this point, but surely Allan Lawrence asking John Turner cannot deprive us of our responsibility here, because you have got to recognize what is happening in the world of taxation. These finance people are putting you revenue collecting people in an untenable position. Your Treasurer did that to you and you know he did it. Do you know what he has done to you personally? He has denigrated your position as a cabinet minister. For five weeks you have been on this. Isn't that terrible what you have done to the economy of this province, and, more important, when you stand up in your place and say that you don't have to ask the revenue people—not the finance people the revenue people? Surely you as Her Majesty's minister responsible for the collection of taxation in the Province of Ontario can't get up and tell the leader of the New Democratic Party that you don't feel that there is anything to be done with Ottawa because Allan Lawrence asked the Minister of Finance. The Minister of Finance, my friend, has nothing to do with the collection of taxation in the Dominion of Canada —not one thing to do with it.

It is indescribable that you would put up with this type of test, that you would say that you don't have to ask Ottawa about it, because the Minister of Finance said to Allan Lawrence we will get to it in our good time, when nobody from your ministry that sits under that gallery, and has sat with us day in and day out, night in and night out, can recognize that I, as a lawyer, in my responsibility professionally, have taken up many times with the Ministry of National Revenue its attitude with respect to a tax problem, and they are prepared to do it.

I have never once had the absolute stupidity to take it up with the Minister of Finance, because do you know what the Minister of Finance would say to me? I say to you the Minister of Finance would say to me, "Mr. Bullbrook, you had better understand what the responsibilities of portfolios in the federal government are." Then, Mr. Chairman, you have your minister say to me that we don't have to take it up because Allan Lawrence, that giant intellect that we dealt with here year in and year out, took up with the Minister of Finance what his attitude is. The Minister of Finance has nothing to do with this, nothing at all to do with it. The Minister of National Revenue has to do with it. To put a response to an intelligent member of the House such as the leader of the New Democratic Party—

Mr. Lewis: Well, but you rose to my defence!

Mr. Bullbrook: —is something that is indescribable. How you can do it? You must not sit there squirming, I say this respectfully, in your own ignorance of what goes on with respect to the collection of taxes, because the problem is here. That is not the response that you make, that really facetious, almost tongue-in-cheek response.

Mr. Lewis: It was not facetious; he meant it. It was a superior coup de grace.

Mr. Bullbrook: I can't believe for a moment that in sincerity, understanding,

knowledge and ability, the Minister of Revenue for Ontario would say that he is content with the position of the federal government because of a response from the Minister of Finance, who has nothing to do with the collection of tax but has to do with financial, fiscal and economic policies on the federal level. I can't believe that that would suffice for him to develop what he called—and let me read for a moment the comment made on May 9, 1974. He said:

> If it is altered upward by an adverse ruling, say, in the courts, if it comes to that, there would be a rebate. In fact, I would anticipate that would be a cornerstone of our whole practice of collection of these moneys.

That is what we are dealing with here, and I could go on at length. You dealt with my colleague from Downsview (Mr. Singer), you recall, and what you said in effect on that occasion was this: We are dealing in principle now, but when we get down to digest this section, and to the impact of this section on a section by section evaluation of the bill, I will have more to do with you. And I recognize—and I paraphrase without fault—I'll have something more to do with you in connection with what I recognize is a fault in this legislation.

For me to sit here, and I am going to say it once more for the sake of understanding, for me to sit here and hear the Ontario Minister of Revenue reply to a colleague in the Legislature and say that we can't deal with the people in Ottawa because Allan Lawrence asked a question of the Minister of Finance, and he made a response, beggars description.

I say to you this, I have been your heartfelt colleague in this problem, because this is a problem through ad hoc-ery. As I said this afternoon, and as has been said many times, you are enveloped with this problem, not of your own making, but because of the grandiose schemes, the megalomaniacal attitude of the Treasurer. He wanted to point out to his 60 friends up there that he wanted to have people like the member for Lambton banged to death behind him while he talked about a land speculation tax.

I want to tell you what he did. He never, nor did his advisers, for one moment—I am talking about the senior advisers of the minister of finance, the chief economist of the Province of Ontario—never for one moment did he give consideration to the onus that he placed upon the Minister of Revenue and his senior advisers in trying to implement the collection of that tax on an equitable basis.

Mr. R. F. Nixon: They both went to Paris together.

Mr. Bullbrook: I know it. The minister knows it. The advisers of the Ministry of Revenue know it. The advisers of the Minister of Finance know it. And, by God, when you hear the Minister of Revenue of Ontario saying that that type of response is sufficient for him, then I want to say this to you. I am not finished in connection with section 2, subsection 1. I yield again to the leader of the New Democratic Party. But when you give him that type of response, what you do to me personally is that you say to me you don't know what you are talking about.

Mr. Lewis: That's right.

Mr. Bullbrook: Can you imagine for a moment saying to hon. members of this House that the federal Minister of Finance has made a comment in the House of Commons? That is your attitude, when he doesn't even have the responsibility concurrent with this statute or concurrent with the federal obligation.

Interjection by an hon. member.

Mr. Bullbrook: You told us—I'm not going to read right now. I will read it afterwards. You just hearken back. You get out your copy of Hansard for May 9, 1974, and you see what you said in response to the opposition in this House with respect to their comments in connection with the confiscatory aspects of this tax. You see what you said. You equivocated.

An hon. member: That's right.

Mr. Bullbrook: And I give you credit for that. And it is the only thing you could do, because the very essence of this statute is equivocation. You have equivocated and I understand that. But what you led us to believe and what you led my colleague, the member for Downsview—who is on another legislative responsibility tonight – to believe was that you would give sincere consideration to enshrinement in this statute of a proposition where the court couldn't misunderstand —or any other tribunal couldn't misunderstand —that this tax concurrent with the federal tax would not be a confiscatory burden.

That is all the Leader of the Opposition asked. That is all the leader of the New Democratic Party asked. They don't ask for that—I think it was "huggery muggery" your colleague said one day. They don't ask for that type of response in connection with the Minister of Finance in Ottawa.

They just say to you, as I could do: Five weeks! My God, my friend, may I say to you, most respectfully, you are Her Majesty's Minister of Revenue in Ontario. Do you know all you have to do to get some type of feeling from Ottawa? You have to pick up the phone, my friend. You don't have to rely on Allan Lawrence. May I say to you, with respect to my six years with him that I wouldn't rely on him for a traffic ticket, let alone coming to some conclusion with respect to the obligations of the taxpayers of Ontario.

Mr. Lewis: Exactly.

Mr. Bullbrook: But I close in saying this to you, I want you to respond to me. I want you to respond in only one fashion. I want you to tell me how you feel. Just please do this for me. Direct yourself for one moment as to how you feel. The Minister of Finance has one thing to do with the federal position in connection with the collection of your tax.

The fact of the matter is, and I say it without reservation, without misunderstanding, he has nothing to do with it. It is the Minister of National Revenue who has something to do with it. I will sit down, and I want you to address yourself to that.

Tell me how the Minister of Finance has one thing to do with this, because if he has something to do with it then get your Treasurer in here. We have been crying for him for six days now. Get him in here; get him involved in it.

We talked about the farmers this afternoon—and I digress just for one moment—in a significant manner involving the farm population of Ontario this afternoon, we discussed a matter of essential policy, equity and justice, as far as the farmers are concerned. The Treasurer of Ontario who stood in his place that day and who just swelled—if he could swell any more—in the laudatory applause of his government colleagues said that he was going to impose this tax. And not for one moment has he stood in his place to defend the implementation of the tax and if there is anything more that I really am concerned about, as much—

Hon. Mr. Meen: Where were you this afternoon when he was in?

Mr. Breithaupt: For five minutes.

Mr. Bullbrook: He was here and he didn't say one word.

Hon. Mr. Meen: He was here.

Mr. Bullbrook: He said not one word.

An hon. member: He just came in to gloat.

Mr. R. F. Nixon: He was in and out like a speculator.

Mr. Chairman: Order, please.

Mr. Bullbrook: No, that is the type of thing that incenses an opposition member. Do you not recognize that this afternoon I spoke as vigorously as I could—

Mr. R. F. Nixon: That is pretty vigorous.

Mr. Bullbrook: —with respect to the farm position? Do you realize that every time I stood up, and my colleague stood up, and my colleagues from the New Democratic Party stood up, he left the House? As a matter of fact, he didn't have the good grace to stay here when the member for York North (Mr. W. Hodgson) stood up and I want to say to you—is it York North or York South?

Mr. Lewis: Yes, it is York North.

Mr. Bullbrook: York North—I want to say to you, in closing, that I want to record, for my own benefit, my great appreciation for the courage, stability and understanding of the member for York North. Because if it wasn't for him do you know what would have happened this afternoon? We would have divided on subsection (v). We would have. And you know the problem would have faced you—an even more traumatic problem than has faced you thus far—your colleagues would not have supported you. Some of them couldn't have, in conscience, supported you. You began with a resistance. If you recall, on my initial involvement I said, "Please stand this down. Please let us look at it," and you resisted that. But after his intervention you didn't resist it any more, and I give you credit for that. I don't chastise you. You are not the villain of this piece. Not in any way are you the villain of this piece. The Treasurer is the villain of this piece.

Mr. R. F. Nixon: He is doing his dirty work like he did last year.

Mr. Bullbrook: Mr. Chairman, I'm sorry. I went on too long and I apologize. I ask you, just tell me how, in any semblance of reason and intelligence, you can say to the leader of the New Democratic Party that your involvement in Ottawa was foreclosed by a question from the federal member from Northumberland to the Minister of Finance? I can't understand that, because that the very

type of thing that activates me to my feet and activates others to their feet. We want to get this damn thing through.

I phoned your deputy minister yesterday and I said to him, "How can you implement this type of thing?" Do you know what he suggested to me? He's a fine man. I was really taken with his sincerity on the phone. He said, "Mr. Bullbrook, perhaps we must give undertakings with respect to this."

I say this to you, and my colleague from St. George said this this afternoon, and I close now, do you realize taxation statutes are very significantly interpreted? They are. They are interpreted with great care by the courts and understandably so. And they are interpreted in favour of the taxpayer, and thank God for that. But, by goodness gracious, I am personally sick and fed up with attempting to deal with a statute where we can't understand its meaning.

This afternoon I brought up, on subsection (v)—and I'm almost finished, Mr. Chairman, you've been very indulgent—the obvious advantage you give to corporations. We divided the House on that. It's understandable what you've done there, but to give this type of response, that the Minister of Finance in Ottawa has told Allan Lawrence that he is not going to make any commitment, that's beneath not only the dignity of your portfolio, but I say to you without personal deprecation, it's beneath your ability to understand what the function of the Minister of National Revenue is.

Hon. Mr. Meen: Mr. Chairman, I thought that I had made it clear earlier that there had been correspondence between the Treasurer (Mr. White), and his counterpart, the Minister of Finance, and there has been. The Minister of Finance had said in correspondence with the Treasurer of Ontario that he could not and would not consider the bill until it was an Act.

What I was referring to in reply to the member for Scarborough West was, very simply, that it was also a matter of public record that just two weeks ago the question was asked of the Minister of Finance, who, in designing to answer, answered for the government of Canada and consequently for his colleague, the Minister of National Revenue. I see nothing inconsistent with that whatsoever. If he deigned to answer the question, he did so on behalf of the Minister of National Revenue and of the government of Canada, of which he is a minister.

Mr. Chairman: The member for Scarborough West.

Mr. Lewis: If I can pick it up, I hardly need to take up the cudgels on my own behalf; the member for Sarnia has put it all, virtually all.

Don't talk to us about Allan Lawrence. Allan Lawrence never gave an intelligible answer while he was a minister, how could he ask an intelligible question? For all I know, Allan Lawrence asked about the sales tax or the non-resident land transfer tax. I don't know what Allan Lawrence asked and I wouldn't imagine it to be anything other than—what was the term the Chair used earlier this afternoon?

Mr. Breithaupt: Frivolous and vexatious.

Mr. Lewis: Frivolous and vexatious. I don't expect John Turner to answer in anything other than the combative terms which are engendered by the House of Commons.

If you want to find out where you stand on this tax you can find out by speaking to the senior civil servants in the Department of National Revenue, Ottawa. You know it and we know it.

How is it if there are letters between the provincial Treasurer and the federal treasurer that we haven't had them tabled in the House? How is it that you refer to them now at 22 minutes after 10, five weeks after the bill was introduced, after we have been in several days of debate?

I want to ask you a direct question as well. Has any senior civil servant in your ministry or have you as the minister written or phoned or spoken to in person any senior civil servant or the Minister of National Revenue in Ottawa about whether or not section 2 of this bill will be seen as you are now interpreting it in the House?

Hon. Mr. Meen: Mr. Chairman, I have already indicated that but I will say it categorically: No I have not. So far as I know—

Mr. Lewis: No, you haven't?

Interjection by an hon. member.

Mr. Lewis: I don't need embellishment. If you haven't done that you've just abdicated. I am sorry—you don't know what your responsibilities are and the government doesn't know what its responsibilities are.

You are taking such a juvenile, adolescent view of this bill which is so important, which is causing very serious ripples in the

economic community. Everybody is commenting day in and day out as to whether it is inflating land values, holding land off the market or reducing land values. Tax law, as I understand it from my colleague from Riverdale who has specialized in it from time to time and from the other lawyers in the House, is a terribly serious complex matter and you don't toy with it in this fashion. This is not a tempest in a teapot, this little exchange tonight. It goes right to the heart of this bill.

Clause 2 of this bill attempts to implement its so-called principle. It may well turn out to be confiscatory in implementation. It will throw the bill into a shambles and the marketplace into chaos. In five weeks you haven't had the interest, the courtesy or indeed the competence—and I mean that of the government not of you personally—to talk to the taxing officials in Ottawa and find out whether it can be clarified.

I'll tell you it suggests to me that this whole bill is a falderal. As we stumble and lurch from clause to clause in a way which is embarrassing to the minister and absurd in the House nothing gets clarified in the process.

Mr. Chairman, I repeat what I said a few days ago. I know not of another piece of legislation in this province in the last several years which has had such inappropriate passage. It may not be so stormy; it will obviously get through at some point but it is inappropriate because from clause to clause, amendment to amendment, item to item, you know not where you stand. You are the Minister of Revenue and you take your responsibilities as a Minister of Revenue most cavalierly. If the Treasurer wants to come in here he'll come in here and defend himself; you are the minister who supposedly is piloting this bill through the House.

I must say I would not have dreamed it possible that at this point in time, on May 14, you would still not have engaged in any consultations. I can't get over that and you say it with a positive pride. I don't know whether your deputy minister is syrupy and friendly on the phone—I don't think I have spoken to him on the phone—and I am sure your civil servants are as earnest as hell and obviously competent in what they send you. Indeed, you couldn't operate without their advice; you wouldn't have anything to say if they didn't script it for you. On this occasion, we deserve more than you are giving. You have thrown this whole bill into dispute again, into contention. I don't know whether you intended to do that to the commercial community, the residential community, the investment community, to pit one tax consultant against another, but you have surely succeeded.

As I stand here I want to say a couple of things and then I'll close—only I will close when I say I will close—and that is that the Minister of Housing is talking through his hat. I have never seen a minister on such a self-destructive course in my political life. That man is walking down the garden path, savouring the fruits on the trees—and he had better eat them all because at the end he is going to leave the cabinet benches because this Land Speculation Tax Act isn't going to work.

It is not bringing down the value of land. It is not bringing down the value of houses. It is a fraud and the government's inability to define the central clause of this bill suggests to us just how mischievous is your whole approach. It is completely without foundation. You have no faith in this bill. You know it is not going to accomplish anything. You read the business pages of the Globe and Mail as I do. Read Donald Kirkup this morning, saying that the levelling off is a very temporary thing; that there is a drop of 20 per cent in housing starts across the board and that within a matter of months all the prices will skyrocket again.

You know what is going to happen. If you want to win public appeal on the basis of this bill you had better have an election before the middle of August or you are finished because this bill is a frivolous piece. You don't even have enough confidence in it yourself to discuss it with the tax experts in Ottawa and you are going to have a very stormy passage with this piece of legislation because there is too much in it which is fallacious.

You know it but you are such a partisan, such a rough and ready Tory that you will go down the road to hell with this bill without for a moment turning back.

Mr. Breithaupt: Mr. Chairman, I would think there are many other comments which my colleagues and I will be making with respect to section 2. This might be an opportune time to suggest that the committee could rise and report, if that was so wanted.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report progress and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, for Thursday, business as previously announced.

Mr. S. Lewis (Scarborough West): Just a second. What was the previous announcement? I am sorry.

Hon. Mr. Winkler: We will continue with the list which was announced on Thursday evening.

Mr. Lewis: Which is Bill 25?

Hon. Mr. Winkler: Yes.

Mr. Lewis: Are you going to be withdrawing any more sections, amending any more sections, deleting any more sections?

Hon. Mr. Winkler: No.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 o'clock, p.m.

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Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

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Thursday, May 16, 1974

Afternoon Session

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Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, MAY 16, 1974

The House met at 2 o'clock, p.m.

Prayers.

Mr. Speaker: I would ask the members of the House to welcome with me the Hon. C. A. Southwell, who is Deputy Prime Minister of St. Kitts, Nevis and Anguilla. He is visiting in Toronto to discuss, with travel agents and carriers, prospects for increased tourist flow to that Commonwealth Caribbean state.

He also met earlier with the Minister of Industry and Tourism (Mr. Bennett). Mr. Southwell's present position as Deputy Prime Minister includes the portfolios of Minister of Finance, Trade, Industry, Development and Tourism. Accompanying Mr. Southwell is Dr. Lionel Thomas, commissioner of the Eastern Caribbean Commission. Our honoured guests are seated in my gallery.

Mr. V. M. Singer (Downsview): Mr. Speaker, I have the privilege of introducing to you and to the House, 50 students from grade 10 at Madonna High School, I believe in the gallery up here behind me, with Mrs. Murphy. Madonna High School is one of the fine educational institutions in the riding of Downsview.

Mr. D. M. Deacon (York Centre): Mr. Speaker, I have the privilege of introducing the students from Thornlea Secondary School, Thornhill, in the riding of York Centre, with Mr. R. K. Smith. I would be pleased to have you welcome them.

Mr. I. Deans (Wentworth): Mr. Speaker, I have the privilege of introducing to the Legislature 12 new Canadians who are currently involved in studies at Mohawk College of Applied Arts and Technology, at the Saltfleet campus, and they are in the gallery.

Mr. T. P. Reid (Rainy River): Mr. Speaker, if I may, before we get into the orders of the day, and I am not sure of the protocol on this, I would like to state, and have the concurrence of the House in saying and stating as plainly and bluntly as we can, that we condemn the cowardly action of the Arab state that was involved in the action that we are all aware of in the last day in regard to the students who were massacred by those guerrillas. I would hope that the House would join in, or make a statement, condemning that action.

Mr. S. Lewis (Scarborough West): Mr. Speaker, perhaps at some point the government on behalf of the House can appropriately say something to the terrorist incident that occurred.

Hon. A. Grossman (Provincial Secretary for Resources Development): It is being prepared.

Mr. Lewis: Mr. Speaker, may I rise on a point of personal privilege before the orders of the day? In today's Toronto Star on page 2 there is a story headlined, "Stephen Lewis distorted facts, two oilmen claim." I categorically deny that, Mr. Speaker, and very briefly would like to explain.

Yesterday at 10 a.m., here in the NDP caucus office at Queen's Park, two corporate lambs, two sweet savage innocents from Imperial Oil's executive sanctum, met with myself and others of the NDP caucus for more than one hour.

Mr. J. R. Breithaupt (Kitchener): Don't cry wolf!

Mr. Lewis: The members for York South (Mr. MacDonald), Thunder Bay (Mr. Stokes), Port Arthur (Mr. Foulds), Nickel Belt (Mr. Laughren) and Wentworth were all in attendance, as well as three of our research staff.

What ensued is perhaps a mixture of the curious and the surreal but it is easily authenticated. As a matter of fact, with our accustomed dexterity, the NDP held this meeting behind closed doors while leaving the transom open. The paparazzi of the fourth estate clustered outside in their multitudes, clawed the very walls to catch the sounds of battle, which I judge wasn't too difficult.

I therefore feel, on the firmest possible ground, the gentle wizards of Imperial asserted the following:

1. That there was a sizable amount of misunderstanding which flowed from the confer-

ence of first ministers last March, and that the Premier (Mr. Davis) in particular was clearly confused, a situation on which they were not able to comment since they were not at the bargaining table.

2. That perhaps, therefore, they were meeting with the wrong politician and should be meeting with the Premier; we encouraged that suggestion.

3. That the effective net gain for Imperial Oil of the increase to $6.50 a barrel, after royalties, taxes and inflationary costs were subtracted, would be an additional 60 cents per barrel.

Mr. L. C. Henderson (Lambton): The member is out of order.

Mr. Lewis: I don't think so. I am just putting the record straight—and I won't be long.

Mr. Singer: He is not putting the record straight. He is making a speech.

Mr. Henderson: Tell it to the paper.

Mr. Lewis: To continue:

4. That, yes, they were admittedly doing all right in every aspect from return on investment to absorbing the costs of exploration based on the old per-barrel price—

Mr. Singer: He is making a speech.

Mr. Lewis: —that the additional 60 cents was a useful hedge against changes in the future—

Mr. Henderson: He is out of order.

Mr. Lewis: —and that, yes, Imperial Oil might not suffer unduly were it to impose less than the full 9.2-cent-per-gallon increase, but it might drive the marginal oil companies out of business—and neither Imperial nor we would surely wish to see that happen.

Mr. Singer: Can he make a speech on a point of privilege?

Mr. Lewis: Mr. Speaker, in response, we told Imperial Oil in no uncertain terms that while we appreciated their coming and that the exchange was useful, there was no meeting of minds because we were worlds apart; that, frankly, we thought the clear 60 cents they were getting was incredible, and we asked them categorically to limit the increase to seven cents maximum—

Mr. Singer: This is not a point of privilege.

Mr. Lewis: —that their profit figures and return on investment, which we quoted and they accepted, were clearly illegitimate; and, finally, that I was going to speak to the media specifically about what we had discussed. I did so, and I reported faithfully then as I have reported faithfully now.

Mr. Speaker, if this offends, I recall that the other day the Leader of the Opposition (Mr. R. F. Nixon) raised a matter coming from a weekly newspaper, based on a letter from another member, and simply put the facts straight—

Mr. Singer: The member is abusing the rules.

Mr. Lewis: I don't think I am.

Mr. Singer: Sure he is.

Mr. Lewis: If I may, I will just conclude.

Mr. Singer: He is abusing the rules.

Mr. Lewis: Mr. Speaker, although it almost defies belief, Imperial Oil ventured into our offices obviously convinced that if they set out the facts of corporate self-interest, we would accept the implications; but they misjudged their quarry.

Mr. Singer: Why doesn't the hon. member write a book about it?

Mr. Lewis: Mr. Speaker, I believe that the facts as I have put them to you are exactly what occurred, and I simply wanted to have them on the record of this House.

Interjections by hon. members.

Mr. Speaker: I must say to the hon. members of the House, and to the hon. member for Scarborough West, that in my opinion it was not really a point of privilege, beyond the first one or two statements, which I believe might have been construed as a point of privilege—to be properly reported in the press. That might have been made as a personal statement. However, I do feel that perhaps it was extended a little too far and I am in the position that out of courtesy and respect to the member I didn't want to stop him from making his remarks. I must extend the same courtesy to the leaders of the other parties if this is to be the rule in this House. I do rely upon the leaders of the parties to use their own good judgement in the application of the rules as they see them, and I would ask all the hon. members to please abide by these rules in the future.

Mr. M. Shulman (High Park): One rule for the leaders and another for the backbenchers.

Mr. Lewis: Mr. Speaker, it is very rare—I can't remember the last occasion—when I rise on a point of personal privilege of this kind. I am sorry if it was over-extended. I thought, judging from precedent, that it was legitimate; I accept your admonition.

Mr. Speaker: I would like to say further that I do try to exercise my own good judgement in these cases. The hon. leader of the New Democratic Party, the member for Scarborough West, does not abuse the rules in that respect; very seldom does he so do. I was quite satisfied to let him continue although it was a little too lengthy.

Mr. Singer: Are we all just allowed one bite or two bites?

Mr. Speaker: Statements by the ministry.

MEDIC-ALERT MONTH

Hon. F. S. Miller (Minister of Health): Mr. Speaker, sitting in the galleries today is Mr. William D. Robson, campaign chairman of the Medic-Alert campaign of the Life Underwriters' Association. He is here because the Canadian Medic-Alert Foundation has designated this month of May as Medic-Alert Month in Ontario. I would like to take a minute of the House's time to pay tribute to the valuable work the foundation is doing.

As most members will be aware—some of them, possibly, from first-hand knowledge—the Medic-Alert Foundation issues identification bracelets to people with medical conditions requiring special treatment in the event of emergency.

If any individual is involved in an accident or sustains an injury rendering it impossible for him to tell of his condition, without this identifying bracelet he might become seriously ill or die. The Canadian Medic-Alert Foundation maintains an around-the-clock emergency service to deal with these critical situations, with instant communication with physicians and other authorized health personnel.

Mr. Speaker, a typical episode occurred very recently in Toronto. A man collapsed on the subway. The needle marks on his arm at first gave the impression of a typical OD case—an instance of narcotic overdose. The routine action would have been for an ambulance to take him to a hospital where he might have died before his hard-to-identify ailment—for which he had to take regular injections—was identified.

His life was almost certainly saved by his Medic-Alert bracelet. He was one of the 50,000 people in Ontario who depend on Medic-Alert for informed immediate help in case of emergency.

The Medic-Alert Foundation is a non-profit organization. It has been providing its services in Canada for some 20 years and since 1967 has been conducted as a voluntary service by the Life Underwriters' Association.

As Minister of Health for Ontario and on behalf of the Ontario government I would like to endorse the contribution to health care in the province made by the Medic-Alert Foundation.

DENTURE THERAPISTS

Hon. Mr. Miller: Mr. Speaker, later today I shall introduce a bill to expand the role of denture therapists. In proposing these change the government has addressed two basic issues.

The first and perhaps most important is the need to safeguard the health of the public through the licensing of qualified denture therapy practitioners. The government is determined that only those people who are qualified should be permitted to practise. It is with this in mind that standards have been set and arrangements made for examinations.

The second issue is the degree to which a licensed denture therapist should be permitted independent practice without supervision of a dentist.

Mr. R. F. Nixon (Leader of the Opposition): The government has really settled on that, has it?

Hon. Mr. Miller: In brief, the changes being introduced today specify how a person wishing to become a licensed denture therapist must qualify. They also permit a licensed and qualified dental therapist to practise without a dentist's supervision but only in a mouth where no teeth remain in the upper or lower jaw or in both.

Denture therapists will not be allowed to make partial plates without supervision. Responsibility for that supervision will remain with the dentists.

Interjections by hon. members.

Hon. Mr. Miller: That's what the member's bill said.

Interjections by hon. members.

Hon. Mr. Miller: No, it is not; not by any means. It is our intention to see that this is strictly enforced and that a violation of this practice will bear major consequences.

Mr. M. Cassidy (Ottawa Centre): This is the most toothless piece of legislation we have seen.

Hon. Mr. Miller: That's a well-chosen terminology.

Mr. Speaker, there may be some who will be quick to call this a victory of the denturists over the dentists.

Interjections by hon. members.

Hon. Mr. Miller: I would like to disabuse them of this thinking.

Interjections by hon. members.

Hon. Mr. Miller: Denturists, in order to practise as denture therapists, will need to show that they are qualified.

Mr. Lewis: I should hope so.

Hon. Mr. Miller: At the present time, there are a number of people who have qualified under the Denture Therapists Act, 1972. These denture therapists will be eligible to apply to practise independently once the new bill is proclaimed. At such time, provisional approval will be granted on the condition that his or her qualifications are upgraded.

The mechanism and the details of this upgrading are, at this moment, being worked out by officials of my ministry. It is my intention that dental practitioners shall provide input in establishing the required standards.

Those practitioners who feel they are qualified will be given an opportunity under the same conditions to pass the same examination undertaken by the present denture therapists. Once having passed this examination, and once the new bill is proclaimed, they also will be eligible for provisional licensing.

All future denture therapy applicants will be required to complete a course in denture therapy at a community college, or have equivalent qualifications.

I do not think anyone questions the need to protect the health of the people of this province through qualified and licensed practitioners. Nevertheless, in the heat of the debate over whether denture therapists should be permitted to practise independently, and whether or not dentists could provide a low-cost denture service, the importance of this need has been overlooked.

In our re-appraisal of the way in which denture therapy should be offered, we examined the use of the so-called oral certificate of health, and we came to the conclusion, as we did a year ago, that introduction of an oral-bill-of-health clause would not be appropriate.

Experience elsewhere has shown that the oral-bill-of-health procedure is impracticable. Dentists are reluctant to issue the certificate because of its implication of eventual responsibility. In practice, it was found that the requirement was almost impossible to enforce.

We consequently determined that denture therapists should be allowed, under certain limited conditions, to practise independent of a dentist's supervision, provided the therapist is properly qualified. We also determined that the self-disciplinary and regulatory standards accepted by other reputable disciplines must be the goal of the new independent practitioner.

In this regard a governing board of denture therapy will be established which will include three representatives of the public and six qualified denture therapists. An appeals board will also be set up, composed of independent public representatives appointed by the Lieutenant Governor in Council. This is similar to the structure for other health disciplines as set out in the Health Disciplines Act now before the House.

I should caution everyone that, although the public had opted for this approach, there are a number of difficulties inherent in it for making low-cost dentures available across the province.

Past performance indicates that most independent practitioners are established only in localities where there is a sufficiently large population to give them a chance to do a big volume of business.

There are going to be a number of areas across the province where the independent practitioner may not be able to operate profitably. I cannot resist saying that this was one of the major advantages of the former plan under which the dental profession guaranteed that the service would have been available in all parts of the province.

Mr. Cassidy: Nobody ever knew it was there.

Hon. Mr. Miller: Mr. Speaker, I cannot conclude without paying a tribute to the dentists of Ontario. More than 600 dentists, right across the province, agreed to participate in the low-cost denture programme with little

prospect of gain. I consider it unfair that their motives were questioned.

I am confident that, though they would have preferred other arrangements, the dentists will nonetheless support the principle of the bill to be introduced today.

This bill, Mr. Speaker, meets public demand. The issue has been the outcome of much emotion and debate. My responsibility is to see that the public's health is ensured and that the cost of health service is reasonable. There are various ways of achieving these objectives. Each has some attractive elements.

I believe that the Denture Therapists Act to be introduced today accommodates a number of points of view and yet serves to achieve the objectives I have set to carry out my responsibilities. I look forward to the approval of the House during the course of the debate.

Mr. Speaker: Oral questions. The hon. Leader of the Opposition.

DENTURE THERAPISTS

Mr. R. F. Nixon: I'd like to ask the Minister of Health if the charges brought against the denturists acting under the old Act will be dropped without further action.

Hon. Mr. Miller: Mr. Speaker, at all times the matter of charges lay under other jurisdictions. I believe the question should be referred to the Attorney General (Mr. Welch).

Mr. R. F. Nixon: He's hardly ever here.

Mr. Lewis: A supplementary, if I may, Mr. Speaker: Can I ask the Minister of Health, does he know what proportion of total present denture practice is constituted by the fitting of full dentures as distinct from partial dentures? And will denture therapists under this Act be able to fit partial dentures with the supervision of a dentist?

Hon. Mr. Miller: The answer to the latter part is yes, they will. There will be two qualifications for denture therapy. One will permit them to make partial dentures under the supervision of a dentist.

To answer the former part, I really couldn't give the member the percentages of the business.

Mr. Speaker: The hon. Leader of the Opposition.

GASOLINE PRICES

Mr. R. F. Nixon: I'd like to ask the Minister of Energy for clarification on two points that have certainly been in the fore in the last few days.

The first is about, let's say, the level of inadequate information that was available to him and the premier and the delegation from Ontario and, to be fair, to the other delegations to the first ministers' conference in March, which came back to the various provincial capitals announcing that for those jurisdictions west of the Ottawa line an increase of seven cents with a very small deviation from that predicted was going to be the price increase. In other words, I want clarification on just what the level of information was, granting that if there was misinformation or lack of it, it was shared by all jurisdictions.

As for the second area of clarification, the minister has indicated that he does not want to say anything further on government policy as far as the gasoline price is concerned until he knows for sure at what level the gasoline price will be. It appears that an increase of no less than 10 cents per gallon and as much as 14 cents per gallon was introduced by at least three of the five major companies. Does he wish to wait further for some levelling-out feature which may occur, possibly due to the law of supply and demand, or can he state that the government is considering certain policies or that it is going to leave it alone?

Hon. W. D. McKeough (Minister of Energy): Mr. Speaker, in reply to the first part of the question, I think the Premier and I—and I could be wrong about this—after the meeting at the end of March, indicated that an increase to $6.50 would probably mean a price increase at the wholesale level, not necessarily at the pump, would translate into an increase of about 7.5 cents. I don't think we ever said as little as seven cents.

Mr. R. F. Nixon: If I may, on a point of order, a quote from the Premier's statement which was handed out Thursday, March 28, said: "The effect of the agreement will probably result in an increase of approximately seven cents a gallon for gasoline and heating oil."

Hon. Mr. McKeough: Well, I'd forgotten that.

Mr. Cassidy: He forgot! That's an $80 million lapse of memory.

Hon. Mr. McKeough: In reply to the question asked by the Leader of the Opposition,

among the 11 gentlemen who gathered to discuss this at Sussex Dr., I think it's fair to say that probably only two of them were conversant with the terms "wellhead prices" and "citygate prices," and there is certainly a difference.

Mr. Deans: Why?

Mr. Lewis: How does one walk into a meeting like that without knowledge?

Mr. R. F. Nixon: The minister is not saying who were the two who were not ignorant.

Hon. Mr. McKeough: No, I would say the Premier of Alberta and the Premier of Saskatchewan knew.

Mr. Lewis: But why does one walk in that way to a meeting?

Hon. Mr. McKeough: I don't think that the other first minister knew the difference between the two terms.

Mr. Lewis: That's incredible.

Mr. Deans: The government signed the contract.

Interjections by hon. members.

Hon. Mr. McKeough: When that settled down, that accounted for a difference of 20 cents, which therefore translates into the 8.2 cents, which was subsequently approved by the government of Canada. If the Premier—I had forgotten—said seven cents, the 20 cents doesn't make that much difference. It makes a difference of half a cent.

Mr. Lewis: No, it doesn't; it makes about seven-tenths.

Hon. Mr. McKeough: We wrote the statement about 7.5 but it was not a precise calculation in Ottawa.

Mr. Lewis: Obviously.

Hon. Mr. McKeough: We had reasonable calculations for $6 oil and we had calculations for $7, $8 and $10 oil. We did not have calculations with us for $6.50 oil. The translation into price per gallon is not necessarily always consistent, but it does work out to 8.2. There was the confusion about the 20 cents.

Mr. E. W. Martel (Sudbury East): They have fired people for less than that.

Mr. Cassidy: The minister is juggling with millions there.

Hon. Mr. McKeough: The second part of the question was concerning any change in the policy of the government.

I would say simply the answer is no.

Mr. R. F. Nixon: Supplementary? The minister then was quoted as saying that he was not going to make any announcement until he knew for sure what the increase at the pumps was going to be. Is there any reason to believe that there is going to be any change from the prices put up on the pumps yesterday showing a variation in the increase from 10 cents to 14 cents per gallon?

Hon. Mr. McKeough: I wanted to see what would happen at the retail level, and obviously that may not be known for some weeks.

Mr. R. F. Nixon: For further clarification, is it fair to say that about $440 million of the increase expected to be paid by the consumers in this province will, in fact, travel to the producing provinces, largely Alberta, and there go into the consolidated revenue fund or special capital fund for the use of those provinces in expanding their own fuel resources?

Hon. Mr. McKeough: The figure is much larger than that. As I recall the figure, the increase to $6.50 will produce to Alberta—

Mr. Lewis: Nearly $1 billion.

Mr. R. F. Nixon: No, but how much from Ontario?

Hon. Mr. McKeough: —nearly $1 billion, and on their royalty scheme would produce about $500 million for the producing companies and about $1 billion for the Province of Alberta.

We had no way of knowing that breakdown at the time and, of course, that breakdown could change tomorrow, depending on the level of royalty which is imposed. As it worked out, it was split roughly two-thirds to one-third between the government of Alberta and the consolidated revenue fund and the producing companies.

The question the Leader of the Opposition asked was what it cost Ontario. It is an increase of over $500 million in our gasoline and heating oil bills—

Mr. Lewis: That's right.

Hon. Mr. McKeough: —less a credit which eastern Ontario gets because it is still purchasing offshore.

Mr. D. C. MacDonald (York South): I have a supplementary question, Mr. Speaker.

Does the minister not feel that in view of such an extent of misinformation, lack of information and confusion, even among the first ministers of this land, that the case is now conclusively proven for the need for an independent body to investigate what the facts are instead of accepting only the self-serving information that the industry gives out?

Hon. Mr. McKeough: I don't think that follows. I think that the hon. member is confusing two issues completely. The fact is that the first ministers of this country are not entirely skilled in the parlance of the trade.

Mr. Lewis: Oh, come on!

Interjections by hon. members.

Hon. Mr. McKeough: As the hon. Leader of the Opposition is well aware, that was a closed meeting at Sussex Dr.

Interjections by hon. members.

Mr. R. F. Nixon: The minister took officials with him.

Mr. Lewis: Was the minister in Ottawa at the time?

Hon. Mr. McKeough: We were in Ottawa at the time, yes.

Mr. Lewis: The minister was at the end of a phone presumably.

Hon. Mr. McKeough: I think the hon. member is calling into question, quite frankly—

An hon. member: The minister is wallowing in his ignorance.

Hon. Mr. McKeough: I don't expect the Premiers of this country to understand. I'd ask the Leader of the Opposition does he know the difference between—

Interjections by hon. members.

Mr. Speaker: Order.

Interjections by hon. members.

Hon. Mr. McKeough: I'm delighted to know that what we seem to be worried about is the 20 cents and not the $6.50.

Interjections by hon. members.

Mr. Speaker: Order. The hon. Leader of the Opposition.

Mr. R. F. Nixon: I want to follow up on what the hon. member for York South has said, because I had a similar supplementary. Surely the minister would serve the community well if he did not say it was unnecessary to have further investigation. If he does not feel that he would like to get a group of so-called independent experts, why could not a select committee of this Legislature be established with all of the powers of subpoena to bring before them the experts from Imperial Oil, idiots though they may be—

Mr. Lewis: We have an Energy Board in this province.

Mr. R. F. Nixon: —so that we can discover what these pricing and profit practices are in this province? Surely the minister would be well served in this connection.

Mr. Lewis: No, do it through the Energy Board.

Mr. Singer: Supplementary, Mr. Speaker.

Mr. Speaker: Does the hon. minister wish to answer that supplementary?

Hon. Mr. McKeough: Mr. Speaker, the government's policy has been stated in this matter a number of times.

Interjections by hon. members.

Mr. Speaker: The hon. member for York South.

Mr. MacDonald: Mr. Speaker, I have a point of clarification that I wanted to seek. It seems to be significant in the last week that both the Minister of Energy and the Premier have repeatedly said that they are not willing to move now, but perhaps ultimately, in terms of intervening in this area. What are they doing? Are they playing politics to intervene when they deem to be the appropriate stage in the federal campaign? Who is going to protect the consumers in the meantime since Ottawa is obviously not?

Hon. Mr. McKeough: I would say this, Mr. Speaker, if, as and when this government decides to intervene it will do so when it is ready and not when suggested by the member for York South; that is for sure.

Mr. MacDonald: It is always too late.

Interjections by hon. members.

Mr. Speaker: The member for Downsview.

Mr. Lewis: Who governs Ontario, Imperial Oil or the Tories?

Mr. Speaker: Order.

Interjections by hon. members.

Hon. J. White (Treasurer and Minister of Intergovernmental Affairs): Not the NDP.

Mr. Lewis: Imperial Oil or the Tories. Who governs Ontario?

Mr. Speaker: Order. The member for Downsview on a supplementary.

Mr. Singer: I am trying, Mr. Speaker. The minister having said on television last night, "At this point in time [I think that was the exact phrase he used] we are not prepared to do anything", could he tell us what criteria would have to exist to change the point of time and bring forth action from the government?

Hon. Mr. McKeough: The increases announced yesterday, Mr. Speaker, practically completely fleshed out the agreement reached by the first ministers at the end of March.

Mr. Deans: Even though they didn't know what they were talking about?

Mr. Lewis: They didn't know what they were agreeing to.

Hon. Mr. McKeough: The increases announced yesterday by some companies amounted to 9.2 cents, of which 8.2 cents relates to the increase in the price of crude from $4 to $6.50 wellhead price. That's 8.2 cents; 0.6 cents of the increase relates to the fact that the federal sales tax rises as the wholesale price goes up; 0.4 cents, the Minister of Energy, Mines and Resources and the government of Canada feel, is justified on the basis of increasing costs. That translates into a total increase of 9.2 cents of which 0.4 cents was not covered in the first minister's agreement. I don't think at this point that is reason to move in and challenge the whole agreement.

Mr. Singer: What has to happen before the government does move in? How serious does it have to get? What will change the point of time?

Mr. MacDonald: What about the 60 cents for the net new profit?

Hon. Mr. McKeough: I have to say this, Mr. Speaker; I wonder where the member was when the $6.50 was agreed to? He is fiddling around over 20 cents.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Lewis: We asked it the next day.

Mr. Singer: If the minister would come into the House and listen to the odd speech—I would ask the minister if he has yet—

Mr. Speaker: Order. That is not a point of order.

Mr. Singer: —read my speech?

Mr. Speaker: Order, please.

Interjections by hon. members.

Mr. Lewis: In fact, he dealt with it in his budget speech.

Interjections by hon. members.

Mr. Speaker: Order. There have been seven supplementaries; this will be the last one.

Mr. Deans: Thank you, Mr. Speaker. Since the first minister obviously was not properly apprised of all the information he ought to have had to come to a decision, will the Ontario government suggest there should be renegotiation of the $6.50 since it is now obvious that the people of Ontario are going to be paying considerably more than they were told they were going to pay at the time the agreement was reached; and the reason for it is because the first minister was not aware of all of the circumstances and facts surrounding the agreement?

Mr. Breithaupt: Incompetence again.

Hon. Mr. McKeough: I have to say this—

Mr. Lewis: Well, say it.

Hon. Mr. McKeough: —the first minister of Saskatchewan was there and he was aware and he might have been honest enough to say a few things at that meeting.

Interjections by hon. members.

Mr. Lewis: He said so. He knew what it meant.

Mr. Speaker: Order.

Interjections by hon. members.

Mr. Lewis: He knew what was said.

Interjections by hon. members.

Mr. Lewis: We were the province which was conned in that game. We didn't know where we stood but the others did and it is coming from our pockets.

Interjections by hon. members.

Hon. Mr. McKeough: Mr. Speaker, let's put this on the record.

Mr. Lewis: All right, let's.

Interjections by hon. members.

Hon. Mr. McKeough: The price would have been $6 except for the obduracy of the Premier of Saskatchewan. That goes to show—

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Deans: Why was the government not negotiating for Ontario?

Mr. Lewis: If the Premier of Ontario had known what he was doing it would be only seven cents at the pumps today.

An hon. member: Too bad Ontario wasn't represented.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Lewis: The Premier of Ontario acquiesced. He didn't understand a word of what was going on and Saskatchewan was fighting for its people.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Lewis: Blakeney was fighting for the people of Saskatchewan. Where was our Premier? Where was our Minister of Energy? Where were Ontario's experts during this conference?

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. McKeough: Mr. Speaker, I am going to say this finally—

Mr. Breithaupt: Why did he have Allan Lawrence ask the question?

Mr. Lewis: How come every other province is cushioning the blow except Ontario?

Interjections by hon. members.

Hon. Mr. McKeough: Mr. Speaker, I will say this, finally. When our Premier is at a meeting representing Ontario we are represented and Canada is represented.

Mr. Lewis: He doesn't know what goes on. He gets seduced, that is what happens. That is why there is no oil in Ontario.

Interjections by hon. members.

Mr. Singer: So much for incompetence; so much for their defence. The Premier didn't understand but that's fine.

Interjections by hon. members.

Mr. Martel: That is how much he knew of what was going on.

Mr. Cassidy: That is the Arnprior dam all over again.

Mr. Speaker: Order, please. The hon. Leader of the Opposition with a new question.

Mr. Lewis: The barefoot boy from Saskatchewan took him to the cleaners.

Mr. Speaker: Order, please.

Hon. Mr. McKeough: That barefoot boy in Saskatchewan is going to bring this country down and that's what the member would do. He's a destroyer.

Mr. Lewis: A very sophisticated politician.

Interjections by hon. members.

Mr. Lewis: On a point of privilege—

Hon. Mr. White: Socialist ripoff.

Mr. Lewis: —I couldn't hear what I was called.

An hon. member: It was the member's imagination.

Mr. Martel: The Tories are embarrassed because Billy the Kid let them down.

Mr. Lewis: On a point of privilege I didn't hear what I was called.

Mr. Speaker: Neither did I.

Mr. Lewis: Neither did you? I want to hear it because I want to know whether or not it should be withdrawn.

Mr. R. F. Nixon: The member was called to dinner.

Mr. Lewis: No.

Mr. Speaker: Order, please. I think the debate on this topic should be now terminated. The hon. Leader of the Opposition.

Mr. Lewis: Mr. Speaker, I'd like to know what was hurled across the floor.

Mr. Speaker: I heard nothing that was unparliamentary.

Mr. Lewis: I think I was called a radical.

Interjections by hon. members.

Mr. Lewis: There are some shocks I can't absorb.

Mr. Singer: He is seldom out of order.

Mr. R. F. Nixon: Are we sure that point is settled?

Mr. MacDonald: They are being conned, those members.

Mr. R. F. Nixon: All right, now that the shouting—

Mr. Deans: The representatives of Ontario's consuming public.

Mr. Lewis: The bush league.

Mr. Speaker: Order, please. Order!

Mr. R. F. Nixon: Now that that's settled, I'd like to ask the Treasurer—

Mr. MacDonald: Settled?

Mr. R. F. Nixon: It must be because all the desks have been hammered and all the lungs have been exercised.

Interjections by hon. members.

Mr. Speaker: The Leader of the Opposition will please proceed.

Mr. R. F. Nixon: I'd like to ask the Treasurer since he has stated publicly that he could not approve a decrease in the gasoline tax because of our present budgetary situation—we already have a very large deficit—would he consider a five-cent-a-gallon decrease which would be applicable from now for the next 11 months until the federal-provincial agreement is renegotiated—

Interjection by an hon. member.

Mr. R. F. Nixon: —if we could find the $135 million necessary for this purpose by a surtax on the corporate revenues of the petroleum corporations doing business in this province whose levels of income have been repeatedly brought to the attention of the House and have been growing very rapidly indeed?

Mr. Cassidy: Has the member talked about this with Pierre Trudeau?

Hon. Mr. White: Mr. Speaker, our gasoline tax remained unchanged in the budget put before the House on April 9.

Mr. Singer: Perhaps the minister could give the Premier a crash course in finance.

Hon. Mr. White: Those holding a contrary view will express it in the budget debate no doubt. I have had occasion in the House in the last few weeks to explain the reason the gasoline tax remained unchanged. I really think it would be entirely appropriate if the federal government, which got us into this trouble, were to remove its tax on gasoline.

Interjections by hon. members.

Mr. R. F. Nixon: A supplementary: whether or not certain actions would be appropriate by the federal government, we here in this Legislature find ourselves being compared with jurisdictions to the west of us—all the provinces to the west of us—and some to the east which are taking specific actions with powers that lie directly within their jurisdiction—except for Ontario.

Mr. Singer: Right.

Mr. Deans: Who gave them the money?

Mr. R. F. Nixon: Would the Treasurer not agree that, since the Minister of Energy has stated explicitly that power should not be given to the Energy Board to roll back prices and the Premier has indicated that there are only certain specific areas in which the province can act legally, it boils down to an action which could be recommended by the Treasurer for a reduction on a short-term basis, at least until the federal-provincial agreement is renegotiated 11 months from now? What is unreasonable about that? Nothing is unreasonable about it.

Hon. Mr. White: As members know, the prices elsewhere are being stabilized by using federal subsidies, most of which are paid for by Ontario.

Mr. Deans: And negotiated by individual provinces.

Mr. R. F. Nixon: This is the richest province—

Hon. Mr. White: I would welcome a federal initiative to put subsidies behind the prices here in Ontario. Perhaps the member could suggest that to his Liberal friends who are so outspoken on every occasion.

Mr. R. F. Nixon: A supplementary, Mr. Speaker: Might I ask the Treasurer if, during the next couple of weeks until he devotes himself full-time to that campaign, we couldn't discuss these issues on a sane and rational basis, based on the powers which undoubtedly we have here, specifically the reduction of the tax on gasoline. Now why

can't we do that? That is what we are elected for.

Interjections by hon. members.

Hon. Mr. Grossman: How would the Leader of the Opposition know that it would be passed on to the consumer?

Mr. Singer: They got to the minister last night.

Hon. Mr. McKeough: No, not me.

Hon. Mr. White: Well Mr. Speaker, to paraphrase the Leader of the Opposition—

Mr. Singer: What is the government going to say at the next conference? Is the Treasurer going to be able to brief the Premier before he sends him to the next conference?

Hon. Mr. White: To paraphrase the Leader of the Opposition: they certainly may discuss it on a sane and rational basis; whether they can or not I have very great misgivings.

Mr. R. F. Nixon: There is no point in pursuing this. Go ahead, go ahead.

Mr. Lewis: Mr. Speaker, supplementary if I may: Since the Province of Ontario obviously didn't realize back in March that the oil companies would be receiving a clear net profit of 60 cents a barrel more with the increase; and since the government has taken a stand, which I don't understand, of refusing to give the Ontario Energy Board the authority to contain the price or roll it back, what about using the Treasurer's tax credit system throughout the remainder of the fiscal year to stabilize the effective increase at that which the Premier thought he agreed upon, namely seven cents a gallon, whether it rises to 10, 12 or 14 at the pumps; so that Ontario will at least rescue some dignity and some equity, if no competence, from what has happened?

Mr. Cassidy: What about using the tax credit for that?

Mr. MacDonald: He has to think about that.

Mr. Speaker: No further response?

Interjections by hon. members.

Mr. Deans: What is the matter, has the Treasurer run out of gas?

Mr. Lewis: Mr. Speaker, the Treasurer is a man who thinks in terms of tax credits. Is that not the fairest way of dealing with it in fact?

Mr. Singer: Is the Treasurer going to brief the Premier and tell him what he said?

Mr. Lewis: I didn't abuse the Treasurer; I would like an answer.

Interjections by hon. members.

Hon. Mr. White: Mr. Speaker, the budget is in front of the House. Any recommendations, suggestions or amendments may be made as the budget is debated.

Mr. Reid: Oh, that is a copout.

Interjection by an hon. member.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions?

BRANTFORD JAIL BREAK

Mr. R. F. Nixon: I would like to ask the Minister of Correctional Services if he will table in the House the report of his departmental officials pertaining to the escape of a prisoner from Brantford jail on April 21? Can the minister assure the House there was no negligence as a part of that escape; or inadequacy of facilities?

Hon. R. T. Potter (Minister of Correctional Services): I would be pleased to, Mr. Speaker.

Mr. R. F. Nixon: To table it?

Hon. Mr. Potter: Yes.

Mr. R. F. Nixon: No more questions, Mr. Speaker.

Mr. Speaker: The hon. member for Scarborough West.

MARKUP OF STORED OIL PRODUCTS

Mr. Lewis: Could I ask just two quick questions of the Minister of Energy? That is all I will ask, Mr. Speaker, not even terribly controversial.

May I ask the Minister of Energy: Has the minister had reports, as I have had, of a number of gasoline storage areas in the hands of the major multinationals in the Metro Toronto area, indeed in the southern Ontario area, where the fences were closed, as it were, yesterday, and gasoline in the millions of gallons was re-marked up in price; although it had been stored many months ago, even before the Premiers' renegotiated agree-

ment? Would the minister perhaps look into this, since it surely amounts to the kind of double ticketing we have on supermarket shelves, taking from the consumer far more than was originally anticipated some time back?

Hon. Mr. McKeough: Mr. Speaker, no, I have had no such reports.

I would just say this: I would be glad to have a look at it, but it must be remembered that the refineries have been paying at the level of $6.50 since April 1. Forty-five days was determined to be an average period of time in the pipeline and at the refinery. It may well be there is oil which is being sold today which was purchased six months ago. By the same token, I am quite sure that prior to May 15 there were probably refined oil products sold on which the new price had been paid. An average date was picked, and 45 days was determined to be it. From my knowledge I would think that is about right.

Mr. Lewis: Well even if the 45 days is right, if there were products that date back, and if they were in storage for six months, if they want to pay it on April 1 to May 15, fair enough; but how do they have the right to increase prices on stored products of six months ago, based on the original wellhead price of $3.80 or $4 a barrel?

Hon. Mr. McKeough: They didn't raise the price, of course, if the member listened to what I have said. They may well have paid a higher price, and probably did, between April 1 and May 15. They may well have paid the higher price and not received it. On the average it should balance out.

Mr. MacDonald: Again the minister doesn't know.

Mr. Lewis: But the minister doesn't know. He didn't bother monitoring, I take it.

Hon. Mr. McKeough: The 45 days was determined by the government of Canada to be an appropriate average time; and from our knowledge I would agree.

Mr. Lewis: Well they were long before—

Hon. Mr. McKeough: But no, we are not going to go around chasing every barrel of oil to see when it was bought and sold, or every gallon.

Mr. Lewis: The government is not going to go around to protect any consumers in Ontario.

Mr. Singer: Is this minister going to brief the Premier?

Mr. R. Haggerty (Welland South): Supplementary, Mr. Speaker.

Mr. Speaker: Yes.

Mr. Haggerty: Thank you. Can the minister recall a speech he gave to the Empire Club in Toronto on Nov. 22, 1973? He said: "I think it's reasonable to insist that the petroleum industry establish the indexation of gas prices to those of a mix of oils, so that they do not do violence to the provisions of Canada's anti-combines regulations." Will he move in that direction now?

Hon. Mr. McKeough: The member is talking about two different things. What we were talking about in that speech was indexing natural gas prices to the price of petroleum, which had been proposed by one of the oil companies and which is not yet in effect; nor do I expect that it will be in just that form.

ROUTE OF PETROLEUM PIPELINE

Mr. Lewis: A question, if I may—perhaps, actually, I should put it to the Provincial Secretary for Resources Development—did he know when the government made its decision on the pipeline running through southern Ontario that the expert consultants hired by Interprovincial Pipeline to indicate minimum soil damage for the farmers, had in fact flown over the route and that their expert testimony consisted of their observations from the air; and would that not have influenced the minister?

Mr. Breithaupt: Like flying over Maple Mountain.

Hon. Mr. Grossman: Well Mr. Speaker, I wasn't aware of that, but in any case that wouldn't have any bearing on the situation now. That is all being aired.

Mr. MacDonald: Aired is right.

Mr. Singer: The minister doesn't make any decision anyway.

Hon. Mr. Grossman: We are sure, Mr. Speaker, that the matter will not be resolved by the federal government unless they agree to the provisions which we have laid down in our presentation, which I am sure they will. They have to look after all the environmental concerns and all the other concerns which have been expressed before the National Energy Board. So whether he did it by air or whether he didn't do it at all, it

won't make any difference in the final analysis. The facts will come out and the protection will be there as far as the Province of Ontario is concerned.

Mr. Lewis: By way of supplementary: How is it that in all matters relating to energy, whether it's monitoring what the oil companies have or the prices that are set at the wellhead or what we pay at the pump or this matter of the southern pipeline, how is it that ministers of this government are all so poorly briefed when the decisions are made?

Hon. Mr. Grossman: Mr. Speaker, the very fact that somebody may have gone up in an airplane and made his investigation by plane—

Mr. Singer: One just can't trust anyone.

Hon. Mr. Grossman: —and the fact I don't know about it or anyone else doesn't know about it, I don't think is a matter of somebody being ignorant about the subject. We are making sure on the concerns this government has for its people, for agriculture, for the ecology, for environment generally, and all the other protections we have spoken about in this House. So long as we make sure that those things are attended to, we are doing our job; and we will make sure that's exactly what will be done.

Mr. Cassidy: The government didn't do that from the beginning. The oil industry says jump, and the government jumps.

Mr. Speaker: I have several ministers who have answers to questions.

Interjections by hon. members.

Mr. MacDonald: That was a fuddle-duddle comment.

Mr. Speaker: The hon. provincial Secretary for Resources Development.

ECOLOGICAL IMPACT OF NUCLEAR POWER FACILITIES

Hon. Mr. Grossman: Mr. Speaker, I have a response to a question asked the other day by the hon. member for Sarnia (Mr. Bullbrook). He asked the following: "Could you advise what studies were undertaken, as a result of your policy direction, by the Ministry of the Environment into the ecological impact of the development of nuclear power facilities on Lake Huron; and if none, why not?"

Mr. Speaker, the government, through its various ministries and other agencies, has been conducting environmental studies on that part of Lake Huron off the site of their Bruce nuclear power development since the early 1960s. For the past six years more intensive water quality and biological studies have also been conducted. Ontario Hydro has undertaken extensive environmental studies with respect to the ecological impact on Lake Huron of the liquid effluents from the Bruce development. Air dispersion studies have also been conducted by Hydro.

After a series of public meetings, Ontario Hydro's preliminary proposal for Bruce generating station B and Bruce heavy water plants B, C and D were made available to the public last February. I have been advised that the final report from Ontario Hydro will be before the resources development committee in the near future.

A member of the Resources Development secretariat is chairman of the interministerial committee on the Bruce heavy water plant. Since the establishment of the cabinet committee on resources development in 1972, these studies have been reviewed and coordinated by the committee.

Mr. Speaker: The hon. Minister of Health has the answers to questions asked previously.

FREE PRESCRIPTION DRUG PROGRAMME

Hon. Mr. Miller: Mr. Speaker, on May 13 the hon. member for Scarborough West asked me some questions regarding the drug programme, with a specific reference to a figure he quoted of some 10,000 people.

I would like to point out that the criteria for the eligibility for these drug benefits are based on the individual's eligibility for assistance through either the Ministry of Revenue's guaranteed annual income system, or the Ministry of Community and Social Services' provincial or municipal assistance programme.

Therefore, if the 10,000 people the hon. member is talking about are those 10,000 people identified on page 2 of the Ontario budget, 1974, I can state that they are eligible for the drug benefits because they have been identified as being eligible for inclusion in the GAINS programme.

Mr. Lewis: Thank you.

Mr. Speaker: The hon. Minister of the Environment has the answer to a question asked previously.

EMPLOYMENT OF DEAF STUDENTS IN TIMMINS SWEEP PROJECTS

Hon. W. Newman (Minister of the Environment): Mr. Speaker, on Thursday last, the hon. member for Cochrane South (Mr. Ferrier) asked me a question concerning the employment of handicapped students for the SWEEP programme in the Timmins area.

I have checked into this particular case and found that the students to which the hon. member refers made application to the Ministry of Natural Resources for employment with the local conservation authority in the area. I believe Mr. Speaker, my colleague, the hon. Minister of Natural Resources (Mr. Bernier), would be pleased to advise the hon. member of the status of their applications.

I would like to take the opportunity at this time to inform the hon. members of the House that it is our policy to employ handicapped students in the SWEEP programme wherever possible, and in fact we have a paraplegic student and a legally blind student engaged in this summer's programme with my ministry.

Mr. Speaker: The Minister of Health has the answer to another question.

LEAD INTOXICATION

Hon. Mr. Miller: Yes, Mr. Speaker. This is in response to another question directed to me a few days ago by the hon. member for Scarborough West, regarding the obtaining of information respecting cases of lead contamination or increased lead absorption.

I would like to inform him and the members of the Legislature that I have asked my staff to collect this information from practising physicians and from general hospitals. This will be accomplished by physicians reporting this diagnosis on the OHIP card. Hospitals submit to us discharge diagnoses, and these documents will allow us to collect the information. The information will be forwarded to our community health protection branch for assessment and follow-up.

Mr. Speaker: The hon. member for St. George.

SOUTH ST. JAMES TOWN

Mrs. M. Campbell (St. George): Mr. Speaker, my question is of the Minister of Housing. Has the government of Ontario been involved in the negotiations between the city of Toronto and the Meridian Building Group, concerning the development of the South St. James Town area—and has the minister investigated or discussed with officials involved in the negotiations the reason why the city's proposal to Meridian specifically provides that none of the low-cost housing units would be operated by Ontario Housing Corp.

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, the answer to the first part of the question is that neither I nor, to the best of my knowledge, any of my officials have been involved in these negotiations; therefore the rest of the question is redundant.

Mr. Campbell: The minister doesn't care why.

Mr. Speaker: The hon. member for High Park.

ALLEGED BRUTALITY AT BROCKVILLE PSYCHIATRIC HOSPITAL

Mr. Shulman: A question of the Minister of Health, Mr. Speaker: Can the minister report to the House on the meeting which was held at 10:30 this morning in the Brockville Psychiatric Hospital and which was ordered by a senior medical consultant from his ministry in order to look into allegations by the staff that patients had been beaten in the hospital?

Hon. Mr. Miller: I can't speak on the meeting, Mr. Speaker, but I have certain information about the allegations, in the same sense that some ex-staff members—I believe they were registered nursing assistants—had alleged that some brutality had occurred. We have made provision to set up a board of inquiry to look into the matter. There will, I think be four representatives of the public on this board.

The staff at the hospital claim the charges are not accurate. However, we made an offer even to the local paper to permit a representative to be present during the sittings as an indication of our willingness to look into the matter, and see whether the charges were or were not in fact true.

Mr. Speaker: The hon. member for Downsview.

RENT LEVELS

Mr. Singer: Mr. Speaker, I have a question of the Minister of Housing. In view of the very serious effect that inflation has had, particularly on tenants in Ontario Housing, has the minister any immediate plans either to freeze the rentals or to initiate a new system of rent formulas, so that those people who have a less than equal share of the income available in the province will be able to reasonably feed and clothe themselves and their families and maintain their dignity?

Hon. Mr. Handleman: Mr. Speaker, at a meeting with Mr. Basford a few weeks ago I suggested a joint review of rent-geared-to-income scales, and Mr. Basford was very cool to the idea. I don't believe we can do it unilaterally, although we are studying the question at the present time.

Mr. Singer: Mr. Speaker, by way of supplementary, even though the minister may be waiting for something from Ottawa, is it not possible immediately to freeze the rental scales at their present level, as was done a few years ago, while the thought of a readjustment goes on? Does the minister not realize how urgent this situation is in Ontario Housing developments around the whole of the province and how much these people need help?

Hon. Mr. Handleman: Mr. Speaker, I am somewhat puzzled by the hon. member's statement, because just a few weeks ago he was quoted in the press as saying rent-geared-to-income is exactly that, and as income goes up a portion of the increased income should be devoted to shelter.

Mr. Lewis: That's right.

Mr. Deans: Perhaps the percentage is a little high.

Hon. Mr. Handleman: That is what the hon. member stated at that time, and I agree with that philosophy.

Mr. Deans: Perhaps the percentage is a little high.

Mr. Singer: Is that the minister's excuse for non-action, his weird interpretation of something he thinks I said?

Mr. Speaker: The hon. member for Ottawa Centre.

Mr. Cassidy: A supplementary, Mr. Speaker: In view of the fact that many families earning the same amount as people living in Ontario Housing are in the private market, and having to pay much higher rentals, is the government intending to bring in a rent supplement scheme in order to protect low-income families who don't have the benefit of rent-geared-to-income housing?

Hon. Mr. Handleman: Mr. Speaker, my sympathies are more with the people who are renting in the private sector because they do not have any government programmes to assist them at this time. Our approach to it, of course, is to expedite and accelerate rent-geared-to-income programmes.

Mr. Cassidy: A further supplementary, Mr. Speaker: How many families now in private housing will benefit from OHC and rent supplement programmes this year, and how does that relate to the overall need?

Hon. Mr. Handleman: Mr. Speaker, that is somewhat similar to a question that was asked the other day by the hon. member's leader, and I promised him I would have an answer. Within a few days I hope to be able to table a comprehensive statement of all the programmes and policies of this ministry so that they can be seen in the full context of our entire housing programme.

Mr. Cassidy: In other words, the government is doing nothing about families in private housing.

Mr. Speaker: The hon. member for Sudbury is next.

INDEXING OF PENSIONS

Mr. M. C. Germa (Sudbury): Mr. Speaker, a question of the provincial Treasurer: Now that the government of British Columbia has introduced legislation that would tie teachers' superannuation, public service superannuation, college pensions and municipal superannuation to the consumer price index, will the government of Ontario consider such a move?

Hon. Mr. White: Government policy will be made known in due course.

Mr. Speaker: The hon. member for Kitchener.

ELECTRONIC SURVEILLANCE IN DETENTION CENTRES

Mr. Breithaupt: Mr. Speaker, a question of the Solicitor General with respect to a matter of public safety: Has the Solicitor General made any plans to review the situation in Kingston, where the use of closed-

circuit television in some of the detention areas has proven to be a very useful means of deterring possible suicides or personal injuries that might result? If so, can the minister advise us if consideration is being given to some kind of a programme that might provide those facilities in all detention centres?

Hon. G. A. Kerr (Solicitor General): Mr. Speaker, as far as our own institutions are concerned, that would be the concern of the Minister of Correctional Services. However, this is something that has been discussed as a result of some recent suicides in some of our institutions east of Toronto; it was also recommended a few years ago. Certain civil libertarian groups seem to object to the idea on the basis that there would be some infringement of the privacy of the inmate. However, because of recent tragic events, it is possible there will be a change in the policy of using this type of closed-circuit television for the protection of the inmates themselves. As I say, it is a rather controversial item from the point of view of privacy.

Hon. Mr. Grossman: They had to take them out of some of the institutions.

Hon. Mr. Kerr: That's right. They did have some of them in before.

Hon. Mr. Grossman: And they had to take them out.

Mr. Speaker: The hon. member for Nickel Belt.

FINANCIAL ASSISTANCE FOR UNORGANIZED COMMUNITIES

Mr. F. Laughren (Nickel Belt): Mr. Speaker, a question of the Treasurer: Will the Treasurer assure the Legislature that there will be legislation introduced this session dealing with the problems of the unorganized communities and the right for them to apply for funds through their democratically elected citizens' committees?

Hon. Mr. White: There is legislation in preparation dealing with this matter. I certainly would like to see it come forward during the spring part of the session. Failing that, it will be some time later in the year.

Mr. Laughren: A supplementary, Mr. Speaker: Would the Treasurer explain why, despite assurances in the Throne Speech that there would be consultation with those communities before the legislation was drafted, there has been none to date?

Hon. Mr. White: There certainly has been lots of consultation, which is one reason why it hasn't been introduced to the House. Now, whether there has been consultation with the communities the member has talked to I can't say.

Mr. Laughren: A final supplementary, if I might: Surely the Treasurer has by now received petitions from about 15 unorganized communities in northeastern Ontario indicating their displeasure at the fact that there has been no consultation?

Mr. J. E. Stokes (Thunder Bay): Not in my riding.

Mr. Laughren: I would like to know who the Treasurer has been consulting with.

Hon. Mr. White: We've had lots of input from a variety of ministries; I cannot list them offhand.

Mr. Deacon: Why doesn't the Treasurer go to the people?

Hon. Mr. White: We are fully prepared to discuss this matter with anybody and everybody. It takes a long time to do that; that's the cost one pays and I think, as a matter of fact, it would be well worth while. But we can't have it both ways. We can't be pressed to bring in a bill the day after tomorrow and consult everyone who has some interest in it. So I trust the House will be patient with me if we don't get it in until toward the end of the year.

Mr. Speaker: The hon. member for York Centre.

EXPANSION OF SEWAGE TREATMENT PLANTS

Mr. Deacon: I have a question of the Minister of the Environment. In view of the perfection in London, Ont., of a treatment system which, according to the tests of his own department, removes phosphates and nitrates and other impurities and raises the water quality of effluent from sewage treatment plants well above that of normal streams, will the minister remove the prohibition of expansion of upstream treatment plants that he has in the area north of Toronto, provided that the new system of effluent treatment is installed?

Hon. W. Newman: Is the member talking about London, Ont., or London, England?

Mr. Deacon: London, Ont.

Hon. W. Newman: London, Ont.

Interjections by hon. members.

Mr. Deans: Yes, he is familiar with it.

Hon. W. Newman: Yes, we are looking at all the new technology on upstream plants right at the present time. As the member knows, yesterday we finished hearings on the York-Pickering major trunk sewer line and we are also negotiating with the various regional municipalities involved on this matter.

Mr. Deacon: A supplementary: In view of the fact that the York scheme is a $140 million colossus which will certainly change the whole potential development to the north of Toronto and greatly reduce the flexibility that would otherwise be possible by use of upstream plants; and in view of the fact that his ministry has approved it on a conditional basis and that now it has been proven that this new system will work, will the minister now review the present programmes of treatment and approve new modifications to these plants?

Hon. W. Newman: Of course, we are looking at new technology all the time but we will not sacrifice our streams and rivers for the expediency of certain matters. We want to look at these. We are prepared to talk to the municipalities involved and we have been talking with them.

Mr. Deacon: A further supplementary: In view of the fact that we are not asking him to sacrifice quality, we are just asking the ministry to look into the new ways that are available and stop standing—

Mr. Deans: Will the minister say he will look into it, for goodness sake?

Mr. Deacon: —back in the 18th century in its methods.

Hon. W. Newman: Pardon me, Mr. Speaker. Let me tell you this. We are looking into new technologies all the time and we are up with the times. The member just gets off in his dream world and he lives there. Why doesn't he face reality?

Mr. Speaker: The time for oral questions has now expired.

Petitions.

Presenting reports.

Mr. Taylor from the standing private bills committee, presented the committee's final report which was read as follows and adopted:

Your committee begs to report the following bill with certain amendments:

Bill Pr20, An Act respecting the City of Toronto.

Mr. Speaker: Motions.

Hon. Mr. Winkler moves that when the House adjourns tomorrow it stands adjourned until Tuesday next, May 21.

Motion agreed to.

Mr. Speaker: Introduction of bills.

LOAN ACT

Hon. Mr. White moves first reading of bill intituled, An Act to authorize the raising of money on the credit of the Consolidated Revenue Fund.

Motion agreed to; first reading of the bill.

Hon. Mr. White: Mr. Speaker, this bill authorizes the Lieutenant Governor in Council to borrow up to $800 million on the credit of the consolidated revenue fund.

The Ontario Loan Act, 1973, authorized loans up to $900 million and I expect this amount will be used by Sept. 30 of this year. In the 12 months thereafter we anticipate that we will be receiving a total of $800 million from such sources as the Canada Pension Plan, the federal-provincial winter works capital projects fund and CMHC.

I will be taking this bill through the legislative process.

DENTURE THERAPISTS ACT

Hon. Mr. Miller moves first reading of bill intituled, the Denture Therapists Act, 1974.

Motion agreed to; first reading of the bill.

DENTISTRY ACT

Hon. Mr. Miller moves first reading of bill intituled, An Act to amend the Dentistry Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Miller: Mr. Speaker, that particular bill removes the requirement for the dentists to provide a low-cost denture service.

Mr. R. F. Ruston (Essex-Kent): The minister changed his mind!

ANSWER TO WRITTEN QUESTION

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): I would like to table the answer to question No. 14 standing on the order paper. [See Appendix page 2210.]

Mr. Speaker: Orders of the day.

Clerk of the House: The second order, House in committee of the whole.

LAND SPECULATION TAX ACT (continued)

House in committee on Bill 25, An Act to impose a Tax on Land in respect of certain Transactions affecting the Control or Ownership of Land.

Mr. Chairman: Bill 25. We were on section 2, subsection 1, I believe.

Mr. V. M. Singer (Downsview): Mr. Chairman, I'm sorry that I was unfortunately unable to join in the discussion on Tuesday evening last when the debate on section 2, subsection (1) started, but I am advised by my colleagues that the minister's pipeline into the federal thinking involved a communication with a gentleman named Al Lawrence, who we all know, who got up in the House and asked the wrong minister a question about the effect of the Act, and when the minister said he would really have to know what Al Lawrence was talking about before he gave him an answer, the minister immediately came to the conclusion that that was the penultimate view of the people who handle taxes and business expenses in Ottawa.

I say that this indicates once again the minister's naivete in matters of taxation, and that the minister really should not be able to come before this House without having done his homework much better than he has done it up till now. Even though this bill has been before this House since April 9 and it is now May 16, we still have no idea, we have no definitive opinion, we have no expert opinion, as to whether or not the 50 per cent tax being purported to be levied, or asked to be levied, by subsection (2), section 1 of this bill, will or will not be allowed as a business expense.

Surely it brings up to the height of idiocy in this Legislature when a minister comes before us and says: "Give me power to levy a tax. I don't know whether its effect is going to be confiscatory. I don't know whether it's going to put the rates up as high as 112 per cent, or maybe it will bring it within those percentages shown in the pretty little diagrams that were attached as appendices to the Treasurer's (Mr. White) budget statement."

I say to you, Mr. Chairman, and to the members of the House—and hopefully there are a few attentive ears on the government side—that this is just no way to try and arrange the fiscal affairs of this province.

If it is government policy that speculations be taxed at a rate of 112 per cent, then let the minister be brave enough to say so. If in fact he is meaning to dry up all of the exchanges of land, for whatever reason, then that's the way to do it. If that's government policy we could understand that and we could debate that on its merits, and we could see whether or not that kind of policy would be approved by the House.

If, on the other hand, as would appear from the Treasurer's statement and as might appear from the somewhat confusing and contradictory statements put forward by this minister, the tax should be, at its highest limit, perhaps a total of 86 per cent, then it should say so unequivocally.

I don't understand, Mr. Chairman—and I have puzzled about this since this bill came in—I really don't understand why and how the minister can come before us without having cleared up this very important point; or at least without having as his advisers, under the gallery, one or two of the noted and outstanding tax lawyers who carry on practice in the Province of Ontario and who could give him their best opinion as to what the real effect of this tax is going to be. At least that would be advisory and at least it would be helpful to the members of this House.

I wonder, in the absence of such expert legal opinion—and certainly from reading this Act I am less than enthused about the legal advice the minister is getting in the drafting of this bill—and in the absence of a presentation by the minister of this kind of expert legal opinion, whether perhaps it has been sought and the kind of opinion that was forthcoming was not of suitable form or of suitable import or of appropriate clarity that the minister is prepared to bring that kind of an opinion before the House.

If he wasn't content with bringing before us good legal opinion on a taxation matter, a matter of the most serious importance, from known taxation experts in the Province of Ontario in the legal field, why couldn't the minister have among his advisers representatives of one or two of the leading chartered accountancy firms in this province?

Certainly we have practising in the city of Toronto, and probably elsewhere in Toronto, some of the leading chartered accountants who know taxation problems, who know taxation statutes and who could very easily, if consulted, bring forth an opinion to bolster whatever opinion the minister might have. But that isn't being done either.

All the minister does is get up and make a series of non sequitur excuses, one after the other; and the one on Tuesday night, I gather, was just a doozer. To suggest to the House, to suggest to the people of Ontario, that because a fellow named Al Lawrence got up in the House of Commons and asked a question of the wrong minister—and the minister didn't give him an answer—that is the penultimate way in which this taxation is going to be dealt with, is the height of idiocy.

Mr. Chairman, that is not good enough. Therefore, in an effort again—I had hoped, because of our earlier debates, the minister would be moved to bring forward some kind of an amendment on his own. He promised to consider it. I understand that on Tuesday night the minister advised the House that the matter had been considered and either there was difficulty in drafting it or the ultimate conclusion was there was no necessity for any such amendment. I just don't see how I can support this bill until this kind of very serious problem, which goes to the real root of the bill, is cleared up.

Mr. Singer moves that subsection (1) of section 2 of Bill 25 be amended by adding at the end thereof the following words:

Providing that in the event the government of Canada will not allow this tax as a deductible business expense, this tax will abate to the extent necessary to deem such an allowance as having been allowed.

Mr. Singer: I am no taxation draftsman of any skill or status whatsoever and this is an effort I put before the House in order to focus attention on the question. If the minister doesn't like the wording, if his taxation experts don't feel it is appropriate, that is fine.

I am putting it here, Mr. Chairman, with all the sincerity at my command, because I don't see how, in good conscience, we can foist upon the people of Ontario a tax the incidence of which we don't know and which the minister is unable to tell us. The minister is even unable to bring before us any expert opinions on it and say: "This is the best advice we have. This is the advice and it comes from noted taxation lawyers, noted chartered accountants who say such-and-such is probably going to be the case."

Mr. Chairman, the last couple of words aren't there on the amendment but I will give them to you in a moment. You can have it without the last two words; if you will give it back to me I will enter them.

Mr. Chairman: The member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman, I had anticipated that under the head of this section, which is the taxing section of the bill, something along the lines just suggested by the member would be brought forward. It was my anticipation that you would probably place a clause saying that in certain contingencies the tax would be only 10 per cent or 15 per cent or possibly 25 per cent, and that you would spell those out. The way in which the present amendment is worded seems to me to be completely palatable in this regard.

It is not your intent, I take it, right from the word go, as spelled out in your budget statement, which was quite explicit under this head as to where you felt this tax would fall. The actual wording is a little ambiguous, a little treacherous, as contained in the budget statement. It says:

> It will impose an additional 50 per cent tax on the increase of value realized from the sale of designated land. Over and above this tax, normal personal and corporate income taxes will apply.

Well, that's kind of putting the cart before the horse. But I would have taken, by any reasonable wording of that, that what is being suggested by the hon. member for Downsview is previsely what the Treasurer had in mind. The minister is privy to the secret thoughts of the Treasurer as to how he carries out the intent; and it is the ministers' sworn obligation to be so privy in the presentation of the bill before this House.

In that regard, I suspect what you're going to do is say you're not prepared to do that at all, that if you subsequently find out at some date in July, after this election is over and with the new Parliament in session in Ottawa, that they turn thumbs down upon a deduction of this kind—and there is a real possibility of that, it seems to me, because of the way the winds are blowing in Ottawa.

They are not recognizing specially designed, and to some extent self-serving, provincial budgetary proposals that cut into the federal tax position. They are becoming, as is their past wont, very jealous of these prerogatives of theirs in this regard. And with

some reason too, because the federal tax structure could be subverted by ongoing moves of one kind or another made by provincial Treasurers seeking deductions, exemptions and various forms of privileges under the tax system.

Since that may not come to pass, at that stage of the game what you would do is simply come before this House and amend your legislation, saying you will only charge a half of the 50 per cent as is set forth in subsection (1) of section 2, since you feel it's going to hit too hard. Isn't that really what's behind all this and what's in your mind with respect to these matters?

You can save yourself a good deal of trouble and a good deal of donnybrook in the course of the debate, both now and as it will be then, because there will be mud on your face at that particular stage. Your ineptitude will become fully apparent. I don't blame you for trying to hide it under a bushel at the present moment—not your light but your darkness—to keep things quiet and smooth while you try to get this legislation through.

When you stand up on this type of issue, you speak with a forked tongue. That's understandable on the part of the government. Lord knows you're embarrassed enough by the clause on the legislation. Such an intricacy of nonsense we've gone through. I think you will agree with me that we've never been pilloried to this extent by any piece of legislation that's ever come before this House.

I understand a former Attorney General had a little difficulty with a similarly badly worked document—

Mr. J. R. Breithaupt (Kitchener): Bill 99, I recall.

Mr. Lawlor: —but this beats all peradventures of doubt. This is the last word in egocentricity and in invalid wording, in terms of a statute. If that's what is behind it, let's get it out in the open now. If you feel you can accept the amendment as proposed by the hon. member for Downsview, that will save us all a great deal of fret.

Mr. Chairman: Perhaps I might just complete the amendment. The mover indicated there were a couple of words missing at the end of his motion as passed along to me. We now have them. The words are, "as having been allowed." So the last part of that motion will read: "This tax will abate to the extent necessary to deem such an allowance as having been allowed."

The hon. member for Kitchener.

Mr. Breithaupt: Mr. Chairman, there are some comments I think should be made with respect to the amendment that has been put by the hon. member for Downsview.

I was called at my office in Kitchener this morning by a solicitor who said that the Canadian Tax Reporter recently reported a certain case in British Columbia. Apparently the federal court has made a ruling in that case that allowances akin to the one we are discussing today are not to be considered as deductible expenses. I have not seen that case, Mr. Chairman, but I trust that the minister and his advisers have looked into the matter as to the deductibility of this tax.

If the legal colleague of mine who called me is correct, then it would appear that an amendment to this extent, as proposed by the member for Downsview, would be most worthwhile. The minister had commented earlier that it was his intention to have that result, that is to say the result proposed by the member for Downsview, so that there would be clearly a commitment by the government of Ontario that this kind of tax which we are discussing in Bill 25 would not be confiscatory.

Can the minister advise me if he is aware of this case and decision in British Columbia; and is it the way it was reported to me, that is to say that these expenses are not considered a deductible item?

Hon. A. K. Meen (Minister of Revenue): Mr. Chairman, I am not aware of that case. We would have to look at that, but we must also look at the basic law as it has been applied. I repeat, if the hon. members had listened on Tuesday night what I said was we have no intention of imposing a tax which in the end result becomes confiscatory.

Mr. Lawlor: Well, let's drop the whole thing.

Hon. Mr. Meen: If as we extract the 50 per cent speculation tax from transaction to transaction, and eventually when the taxpayer files an income tax return in 1975 for his fiscal year 1974, it should be determined at that or at some later date that this tax, coupled with the federal tax assessed when one takes into account any court actions that might result from that, should turn out to be confiscatory, then would be the time to take appropriate steps to see that the taxpayer was not injured. If we were to adopt this kind of amendment proposed by the member for Downsview at this time, as I think I reasonably clearly expressed on Tuesday

night—he was watching the hockey game I take it, and that's why he wasn't around here to hear the explanation—

Mr. Breithaupt: No, he was at the dinner for the provincial solicitors as a matter of fact.

Hon. Mr. Meen: In any event, if he had read what I had to say in Hansard, he would see that I explained on the best legal advice we have that it would be the height of folly to include this kind of provision in the legislation, however attractive it may sound. The member for Downsview can't take credit for that amendment. That amendment was suggested by the member for Ottawa Centre (Mr. Cassidy), the colleague of the member for Lakeshore. That was the kind of suggestion he put to me last week. I said that it had something to commend it, and it was on that note, I think, that we closed. I also explained to the members, when we convened on this particular subject, that it would not be wise and we would be inviting the courts, under those circumstances, to make such a ruling.

As it stands, we would be in the strongest possible position. I don't think any members here would want to deprive the provincial Treasury of the full amount recoverable in this way. We didn't set about to recover additional moneys, inasmuch as we were setting about to reduce speculative interest in land. But I think as a secondary issue, if moneys are to be derived out of speculation, then all the people of this province should share in those moneys.

On the best legal advice I can obtain, and hon. members opposite have conceded that at least I do have access to legal advice, it would be unwise to put in such a provision.

I see the member for Downsview has now returned. I would simply observe to him that we do have good legal advice on this point. We think that we are in a strong position, enhanced by no such provision in the Act to which a judge might look in trying to determine whether, in the mind of the Legislature, there was any thought that this might be in a secondary position to the federal income tax position. We are in a stronger position if we leave out any such provision.

In any event, on the basis of practice to date we are in a strong position, with this being a charge against a particular transaction and unrelated to the taxable income of the taxpayer at the end of his fiscal year, to consider that this is a properly deductible item relatable to a transaction during his fiscal year and not relatable to his income per se. Therefore, although as I have said I have some sympathy for this feeling, certainly we won't let our taxpayers face a confiscatory tax, but it would be most unwise indeed to incorporate this amendment into the bill at this time.

Mr. Singer: Mr. Chairman, if the minister says that he has competent legal advice, I wonder whence it comes. Does it come from the people who have been advising him up to date? Because I must say with great respect to those people who drafted the Act that they did a bad job, they did a very poor job. It may be that they were under too much pressure, they didn't get their instructions far enough in advance or for whatever other reason.

If there is such legal advice, surely the minister should be able to table it for us so we could see who signs it and whose opinion it is?

In addition, in a matter of this serious importance, would the minister not be able to reasonably quickly get an opinion from a gentleman such as Stuart Thom or Wolfe Goodman, or any one of a half dozen others, even a fellow named John Robarts has set himself up in a firm that specializes in giving taxing opinions. Perhaps the Robarts firm could be asked; and perhaps Mr. Stikeman, who is somewhat known in this country as an expert on taxation, would be prepared to affix his signature to an opinion.

These opinions would all be nothing more than opinions, but it certainly would impress me much more; it certainly would impress my colleagues much more; it certainly would impress the member for Lakeshore much more, if we had written opinions from people who are known to be competent within the taxation field. In the absence of those then we have to be very dubious about the effect of this.

It isn't enough for the day for the minister just to say, "Trust me, our intentions are not to be confiscatory; and if there is something wrong then we will change it later." Of all the kinds of statutes that we have to deal with, surely there can't be a more precise form of statute than a taxation statute. If there is doubt—and I suggest, Mr. Chairman, there is great doubt—about the incidence of this taxation and its real effect and an absence of the kind of opinions I have been talking about, how can we go along and pass this statute in good conscience?

In addition to legal opinions I suggested there was another kind of an opinion. Surely, Clarkson, Gordon or Peat, Marwick could be asked to put one of their senior partners

onto this tax and provide for us an opinion signed by Peat, Marwick or signed by Clarkson, Gordon saying that in their opinion such and such is the case. That would have a very substantial weight with the members of the Legislature. Certainly it would have with me.

But the minister does none of those things. All he does is say: "I have good advice and we think we are right." Well I don't think you are right, and you have brought no supporting evidence at all. In a matter that is as grave and as serious and as important as this, I just don't see how we can support the minister.

Mr. Chairman: The member for Kitchener.

Mr. Breithaupt: Mr. Chairman, I think the comments made by the member for Downsview are worthy of further elucidation. It is clear, of course, that the minister has received certain information, at least from members of his own staff, that has led him to the position he has taken in the reply he made to my earlier remarks this afternoon, but we have not seen the details of that opinion, nor have we had any confirmation that the opinion has come from elsewhere than his own ministry.

We are dealing with a most substantial piece of legislation, and as the member for Lakeshore has said, it is section 2 that really is the one that deals in depth with this whole matter. This is where the whole problem comes to the fore—section 2, which sets out of course the fact of the items being taxed and the manner in which they would be taxed. We have asked, Mr. Chairman—

Mr. Singer: Mr. Chairman, on a point of order, I don't think there is a quorum.

Clerk of the House: Mr. Chairman, there are 17 members present.

Mr. Chairman: I would remind the House that there are two other committees sitting besides this one at the present time.

Mr. Singer: Surely you can find more than five—

Mr. Chairman ordered that the bells be rung for four minutes.

Clerk of the House: Mr. Chairman, I see a quorum.

Mr. Chairman: The hon. member for Kitchener.

Mr. Breithaupt: Mr. Chairman, when I was speaking earlier on the point raised by the member for Downsview, I had commented that the minister, of course, has no doubt had the benefit of some opinions from members of his staff. What we have not had is a commitment from the minister that goes beyond his own immediate supporters, those on his staff. We have asked whether there have been opinions from the law officers of the Crown. We have asked whether there were opinions from outside solicitors, such as the gentleman referred to by my colleague from Downsview, who are knowledgeable and expert in the matters of taxation. We had also asked whether there were opinions from chartered accountant firms, and two of those were mentioned this afternoon. We have asked, as well, whether there have been clear opinions, or any effective commitment, from the federal authorities with respect to their views of the situation.

Now, Mr. Chairman, we have proceeded in the debate on this bill for some 10 hours or so, and we are now dealing with section 2. Surely during that time, and indeed in the time since the budget on April 9, the minister has had the opportunity to obtain these various outside opinions, commitments, attitudes, call them what you will.

The minister apparently says that on the legal advice available to him he is satisfied the bill will do what he wants it to do, but the minister is not prepared, apparently, to give us the benefit of these opinions, to advise us as well what sources have been included in reaching, or helping him to reach, the opinion he has reached. What we have asked for on this side of the House, Mr. Chairman, is a clear delineation of the various opinions that have come to the minister. The minister has chosen not to provide those to us, and certainly in the absence of those opinions we cannot support this section as it is.

It is our view that the amendment raised by the member for Downsview is a valid one and one that is necessary in the absence of further information from the government benches. As a result, Mr. Chairman, it will be our intention to divide the House on the amendment raised by the member for Downsview.

Mr. Chairman: Do you want to speak on this, Mr. Minister?

Hon. Mr. Meen: Mr. Chairman, there are one or two points that have been raised by the members since I spoke last. We have, within our ministry, discussed this at length

with the law officers of the Crown generally, and in an informal way beyond that.

Mr. M. Cassidy (Ottawa Centre): With whom?

Hon. Mr. Meen: The opinion is not completely unanimous but it is very strongly in favour of our position. As we assess it, it seems to fall well on our side. I'm not going to say whether we've consulted Mr. Stikeman or Mr. Robarts or Mr. Wolfe Goodman; and even if I had consulted them and had their written opinions, I would decline to table them. That would be quite improper. We have already, in other cases—

Mr. Cassidy: Why have you introduced the names into the debate if you are not going to say whether you consulted them or not?

Hon. Mr. Meen: One of the hon. members has referred to an opinion by Peat, Marwick, to which I made reference the other day too.

Mr. Singer: I'm sorry, I can't hear the minister.

Hon. Mr. Meen: One of the members—I think it was the member for Kitchener—was asking me if I was familiar with the recently reported case from British Columbia. I wasn't then. I have since had an opportunity to be apprised of that situation and I'm advised that's the case of First Pioneer Petroleum and the Minister of National Revenue, which turned on a question of whether the provincial tax on income, the provincial income tax payable by that company, was a deductible item before computation of the federal corporate income tax. Clearly, they're both taxes on income and they're both calculated in essentially the same fashion on the measure of their profits over the fiscal year, and of course the court had little difficulty in saying: "No, the provincial tax is not deductible before you compute the amount of your federal income tax." So, it's clearly not the same situation at all.

Mr. Singer: Oh it's not clear at all, not at all.

Hon. Mr. Meen: It's quite inappropriate and quite distinguishable from the circumstances as they pertain here, where we're taxing land with respect to a particular transaction and the difference in the sale price over the acquisition price. I don't think that case is at all appropriate to this case. I've indicated already that we cannot, on my best legal advice, have any such provision as that proposed by the member for Downsview in the bill and I must, therefore, resist the amendment.

Mr. Singer: Did the minister say he had an opinion from Peat, Marwick? It got a little noisy here and I didn't hear it.

Hon. Mr. Meen: It's getting noisy over here too. Would you say that again?

Mr. Singer: I said did the minister say that he had received an opinion from Peat, Marwick?

Hon. Mr. Meen: No. I said that earlier in the debate—the hon. member for Downsview may not have been here at that time—one of the members of the House, in fact I believe it was the member for Ottawa Centre, quoted a part of a circular letter issued by Peat, Marwick. That was about the—

Mr. Lawlor: No, that was the member for Riverdale (Mr. Renwick).

Hon. Mr. Meen: Riverdale, yes—about the middle of April when he had had a first run at the bill only.

Mr. Singer: Right. And what was the minister's conclusion? He didn't accept Peat, Marwick's suggestion?

Hon. Mr. Meen: Peat, Marwick's letter—and I don't have the circular letter—simply indicated not that it would be an unallowable deduction under the federal Income Tax Act but that they had some measure of misgiving as to its allowability. It was a very qualified type of doubt they cast. By no means did they say that in their opinion it was not a deductible item. In fact if you look at all the current rules it would be deductible.

Mr. Singer: Mr. Chairman, this is where we get into our real difficulty. I grant that what Peat, Marwick said was not that definitive but it cast doubt. I am not prepared to accept the glib analysis that the minister has just given about the British Columbia case, because it seems to me that the courts are not going to look either at the title of his bill or at the Hansard debates.

The minister's repeated statement that this is not a tax on income does not necessarily make it not a tax on income. The court is going to examine the full implication of the statute and the court is going to come to its own conclusion as to whether or not it is a tax on income, even though it relates to a particular transaction.

You can have income from a particular transaction. I don't know whether the minister is trying to draw a distinction between income and capital gain, but it is certainly a well known taxation principle that the determination as to whether a particular gain is an income gain or a capital gain is not that it was an isolated incident but relates to the intent with which the party entered into the transaction in the first place.

I am doing something really, Mr. Chairman, that I don't want to do. I don't want to expound great taxation principles here in this debate. But unfortunately the minister's attitude is forcing me to try to do this. If the court comes to the conclusion that the intent with which the transaction was entered was to make a profit, then it is deemed to be income. On that basis then, the minister's analysis of the British Columbia case is, in my opinion, a wrong one.

But whether I am right, whether Peat, Marwick is right in casting doubts, whether the British Columbia case is applicable here or not, all add to the doubt that surrounds this particular statute.

How can I get through to the minister on this point? It is not enough for the minister to say he has some advice that disagrees with the doubts the opposition has, that disagrees with Peat, Marwick's doubts and that quickly shoves aside the British Columbia case. Can the minister not come to us with a written opinion from any one of the sources I suggested? And why won't the minister do that?

The future of this bill rises or falls on what you do with this particular section. This is the key section. If the minister is wrong, and I think there are substantial grounds to argue that the minister is wrong, then the Province of Ontario is making a terrible mistake.

Surely it is not too much to ask the minister to bring forward before this Legislature the best opinions that are available in the Province of Ontario. His reluctance to do so convinces me more and more, as I listen to the minister, that perhaps these opinions have been sought and they weren't favourable and that is why they are not forthcoming.

I have yet to see this government being reluctant to spend money to seek outside opinions to bolster its position on a variety of issues. For example $15,000 down the drain to get Buckminster Fuller to draw a few pyramids besides Spadina to bolster an election argument. Every day we are hiring somebody or other at great fees to give us an opinion on something or other. It has never been a problem with government to spend money to seek opinions when they think they can bolster an argument by bringing in an apparently independent outside opinion. Why is it so difficult in such a key and important statute, in such an important matter of law? Why is the government afraid to do it? Those are the questions, Mr. Chairman, that demand answers.

Mr. Chairman: The hon. member for Lakeshore.

Mr. Lawlor: Mr. Chairman, just to throw another weight into the debate, the report issued by Price Waterhouse and Co. in a tax bulletin, covering the whole range of this and other taxes as proposed in the budget, doesn't come down flatly one way or the other as far as I can determine from a quick perusal. It does point out a number of interesting similarities as between the federal and the provincial position. The thing that irritates both the provincial level when a federal tax is being imposed and vice versa is that the taxes aren't on all fours. The wording isn't exactly construable. It is almost precisely the same wording. The government revised its taxation legislation here in the past couple of years to bring it in complete line with precision, by and large as compared to the federal; as we did with the Corporations Tax Act not very long ago and as the minister in charge of all these things well knows. Price Waterhouse has this to say:

> The cost basis of the land and, therefore, the profits on the sale for the purposes of the land speculation tax will likely be different from those for federal and Ontario income tax purposes. In addition to possible differences in the amount of deductible costs in determining the amount of a gain, only gains accrued after April 9 will be subject to the Ontario land speculation tax.
>
> The Ontario system also differs from the federal tax-free zone concept for the measurement of capital gains where the cost base of an asset, for purposes of determining a gain, is the higher of cost and fair market value on valuation day and the lower of cost and fair market value for the purposes of calculating a loss.
>
> In determining the Ontario land speculation tax both gains and losses in property held on April 9 will be measured with reference to the fair market value of the property at that date without regard to the actual costs of the property.

Those are some of the other things. Within the contour lines of your own Income Tax Act how do you think the matter stands? Are you proposing to make an amendment therein, particularly with respect to corporations?

Hon. Mr. Meen: Mr. Chairman, so far as I am aware, there would be no amendment required under our Acts in that we treat these much the same as—well, our Act is aimed pretty well the same way as the federal Income Tax Act. As I understand it, there would be no problem whatever. Indeed, in interpreting our own Act we would consider this a cost of doing business relative to a particular transaction and not a tax on income or on profits.

Mr. Chairman: Does any other member wish to speak on Mr. Singer's motion?

Interjections by hon. members.

Mr. Chairman: Order, please. We have two matters to decide at this time.

The committee divided on Hon. Mr. Meen's motion that subsection (1)(d)(vii) of section 1 stand as a part of Bill 25, which was approved on the following vote.

Clerk of the House: Mr. Chairman, the "ayes" are 50, the "nays" are 28.

Mr. Chairman: I declare the amendment carried.

The committee divided on Mr. Singer's amendment to subsection (1) of section 2 of Bill 25, which was negatived on the same vote reversed.

Mr. Chairman: Is it the same vote reversed? I declare the amendment lost, and the subsection carried.

The hon. minister has an amendment to subsection 2.

Hon. Mr. Meen moves that subsection (2) of section 2 of the bill be amended by striking out "of" in the 11th line, and by striking out clauses (a) and (b) and by inserting in lieu thereof:

Of 20 per cent of the proceeds of disposition where the corporation beneficially interested in the designated land is, immediately after the disposition has occurred, a non-resident corporation as defined in the Land Transfer Tax Act, 1974.

Mr. Chairman: Shall I read this over again? It is as printed. Agreed? All right; is there any discussion? The member for Lakeshore.

Mr. Lawlor: I won't prolong the discussion, I will simply ask why?

Hon. Mr. Meen: I am sorry; I did not hear the member's question.

Mr. J. A. Renwick (Riverdale): Why? It is a three-letter English word with a question mark after it.

Hon. Mr. Meen: It's simple. I wish they were all that easy.

The sections as we had previously put them together caught up business combinations of Canadian residents. I had some submissions made to me that indicated this was not in the best interests of the orderly conduct of the business community. This had never been a provision under the Land Transfer Tax Act before. What we were trying to do by this section was to bring in a provision covering the subterfuge of a merger of a non-resident corporation which could effect an end run around the 20 per cent non-resident land transfer tax. Consequently that had to be in this Act and we had built in that provision. In the course of picking up mergers for the purpose of evading the 20 per cent tax it inadvertently caught the ordinary merger or amalgamation of two or more resident Canadian corporations which have never been taxed in these circumstances and it hadn't been my intention to tax them now.

Mr. Lawlor: But what you have omitted from the previous legislation is a clause which I think you are probably going to claim was redundant—clionastic, as the Greeks said to one another as they passed at noonday. On this matter of not a non-resident corporation, I take it that your position is that that was already included under the Act which has been proclaimed, the Land Transfer Tax Act, and therefore there is no need to have it under this and so you are omitting it from this particular bill. Is that true or not?

Hon. Mr. Meen: If I understand the hon. member correctly, what we are trying to do here is explained in this way; with the mechanism available for the designation of a non-resident corporation and the other provisions in this Act, we can catch the kind of transaction which would not ordinarily be caught under the Land Transfer Tax Act where there is no triggering of the information by the registration of a document.

Under subclause (vi) referred to in section 1(1)(d) and under subclause (viii) of 1(1)(d) where we have an effective conveyance of

real estate by the sale of shares under (vi) and of a merger or amalgamation that could occur under sub (vii), there could very well be an effective change to a non-resident and so it was appropriate to pick that up by this section in the Land Speculation Tax Act although it's aimed at the non-resident 20 per cent tax set out in the Land Transfer Tax Act.

Mr. Lawlor: We are not still on all fours, Mr. Minister, through you Mr. Chairman, but I am simply directing my remarks to perhaps a fairly obvious point. You had a clause (a) in there previously, clause (a) under subsection (2) which has been just dropped and omitted. The reason why you have taken it out, I take it, is because it is already covered in the other statute. Isn't that correct—or is it? What goes on here?

Hon. Mr. Meen: No, Mr. Chairman, it is not covered. What we are saying here is that in the case of a merger or an amalgamation, there has never been an intention to tax and we are not purporting to tax now. There is no transfer of title in this case, when we are not dealing with non-residents, where we are dealing with a merger or amalgamation or a sale of shares pursuant to subclause (vi) and (vii) of 1(1)(d); there never had been such a provision and we don't propose to have it now.

What we had intended to do was more accurately set forth in clause (d) to catch the non-resident corporation that attempts to purchase wihout payment of the non-resident tax, therefore placing itself in a more competitively advantageous position than a corporation that might take a more direct route. We would catch them where they sought to accomplish this same end by way of a purchase of the shares under subclause (vi) or an amalgamation under subclause (vii); in either cases of which they become a non-resident corporation within the definition of the Act.

Mr. Chairman: Shall this amendment carry? Carried.

Mr. Lawlor: Subsection (3), Mr. Chairman?

Mr. Chairman: Anything further on subsections (3) or (4) of section 2?

Mr. Lawlor: Yes, just on (3), and a very technical procedural point. When this tax is levied I take it that where the affidavits disclose that the tax is leviable the amount of money would be, in some cases, very large indeed. Where is it paid? What is your intention with respect to that? Do you pay it as you proffer your documents at the land titles office or the registry office? Or do you pay it some time in advance of that? What is the machinery connected with that situation?

Hon. Mr. Meen: Mr. Chairman, the affidavits would be required, and under subsection (1), of course, that's the conventional 50 per cent tax; subsection (2) deals with the non-resident 20 per cent land transfer tax payable. It would be payable in the same manner as any of the other taxes. If it is necessary for us to investigate or check documents, then of course it would be perhaps prudent for the people entering the transaction, particularly when involved in a merger on an amalgamation, thereby attracting a tax, to arrange to pay it at the normal time, of course, and not when they are in the registry office. The only time they would show up in the registry office would be to file a copy of the letters patent of amalgamation, if that's what they are called.

Mr. Lawlor: That would be covered?

Hon. Mr. Meen: I would not expect they would ever be there. So the normal provision, I would think, under those circumstances, would be a payment to the Minister of National Revenue, who would remit the funds to the Treasurer.

Mr. Chairman: Shall subsection (3) stand?

Mr. Singer: No. On subsection (3) Mr. Chaiman, I notice the minister wants to have the right to prescribe interest rates by regulation. That comes in the subsequent section and it's referred to here. I'm not sure that I like that kind of scheme. I'll be talking about the regulatory sections a little later. But in the meantime, if it is foreseen that the rate of interest can vary, why do you set out nine per cent at this time? Why don't you set up some kind of a formula? Is it reasonable that you should pay nine per cent and not the rate recently prescribed by the Bank of Canada, that sort of thing?

Hon. Mr. Meen: Mr. Chairman, there is always difficulty involved when you are introducing a piece of legislation for the first time rather than amending one. In this case we had set out some interest rate which we thought was reasonable. As every day goes by it seems that yesterday's rates were a little on the low side. But the purpose here was to establish a rate of interest, because of course there could be transactions on

which interest might accrue from and after April 10.

So when you initiate a new piece of legislation like this it has to be spelled out as a fixed amount, so that people will know where they are at, to use the colloquial, before the bill is passed and when we are looking retrospectively at transactions following April 9. So it is spelled out here and that's the amount. Of course in taxing Acts of this sort there is normally provision for variation on the interest rate, and consequently the further modification of the cost.

Mr. Breithaupt: Perhaps the minister could advise us, Mr. Chairman, of the terms and conditions on which he would expect that a different rate would be prescribed. One might think, indeed, that this rate of nine per cent will last perhaps for the length of time that it takes to pass this bill and you may well be into some other rates beyond then.

Just what are the criteria going to be for your rate? Are you going to take the Bank of Canada discount rate and add a percentage or two? Just what do you think is going to be your guideline in setting this kind of a rate?

Hon. Mr. Meen: Mr. Chairman, I will take advice from various quarters when this question comes up. Nine per cent was a little higher than the Bank of Canada rate at the time when this bill was prepared in March, and I think that, by and large, my philosophy would be that it would run a little bit higher than the prime borrowing rate, as an incentive to see that it was paid.

Mr. Breithaupt: One would think that that would be the case, Mr. Chairman.

Mr. Singer: Mr. Chairman, I'm still not happy with that. I recognize it is not a simple thing to resolve. On the other hand, following up on the thought put forward by my colleague from Kitchener, surely there should be some kind of criterion put into this and some kind of frequency at which it will be reviewed. Certainly it has been my experience that in the various statutes where we fix interest rates they stay there for about 50 years unchanged, and there is no regular review.

Since you are reserving your right to change the interest rate by regulation, I would like to see some tests or mention of frequency or how often it's going to be reviewed or some kind of criteria set out here as to when it'll be done, how it'll be done and how frequently it'll be reviewed.

Hon. Mr. Meen: Mr. Chairman, I suppose one could go on ad nauseam in the refinement of these sections. I think this accords an adequate amount of flexibility. The regulations themselves have established the rate, and regulations under an Act that is new like this would be under constant review. I really couldn't imagine that we would want to tie ourselves down. We might say they would be reviewed quarterly. It might be that I'd want to review them much more frequently than that in the changing set of circumstances.

Mr. Singer: That's really not the answer, because surely when we get into a taxing statute — and you've heard me complain about this before—the more that you can put in the statute, the better it is for the people who are going to be affected by the statute. The minister is asking that he be given the broadest regulatory powers that are imaginable. It's wrong, to my mind, particularly in the taxing statute when you say you can regulate the right of interest anytime you want. Again, I don't want to debate the regulation section at this moment, but your first one, that you can exempt anybody from tax at any time for any reason, is a wrong principle to put into a taxing statute.

I think the minister should be prepared to tie himself within certain tests and say it will be reviewed every six months or every year, and that a report will be made to the Legislature, or it will be tied in in some way with the Bank of Canada discount rate or the prime borrowing rate. I don't care what tests you put in, as long as it is readily ascertainable so people are going to know where they are going. If, as has happened in so many of our statutes, this interest rate isn't changed for 20 or 30 or 40 years, it really is of no help to the people who are going to pick up the statute to understand why those peculiar people who in 1974 passed statutes put on the peculiar figure 9, any more than if we had nine per cent in a statute like this three years ago anyone would have been able to understand it at all.

I think that the minister really has a duty to put in some kind of elaboration as to the method by which the regulation is going to be carried.

Mr. Chairman: Shall this section stand as part of the bill?

Mr. Lawlor: No. One further question, again on the technical point I raised at the

very beginning. It's a land transfer tax. If the individual is taxable, is it anticipated that with respect to this non-resident corporation declaring itself to be such the simple case clears itself in advance by going down to where you have an office set up on one of these streets over here. These are just loaded with documents. These are going to be subject to approval—supposed to be—by what? Midnight tomorrow night? I know it has been waived, but apparently out there they don't. They are still performing gyrations over the whole thing. I heard from my own accountant this morning about it. He was terribly worried about whether he had any time left.

In any event, when they approach the wicket to register their documents, it appears from the face of the document now as a corporation. Is it your intention that that tax be collected there at that time or the document be not registered unless it is? You may say that as prudent people they will pay their tax in advance and obtain some kind of certificate from your office which they will then hand to the registrar. And so the approvement is paid in advance. But if it is not so paid, is it possible to pay at the wicket on the spot? What happens if they don't, either through ignorance or through recalcitrance, if they just refuse to pay? Have you worked those details out at all yet?

Hon. Mr. Meen: I understand my staff have worked them out, Mr. Chairman; I have not been personally involved in this. I am given to understand that in the case of a non-resident, effective, transferee or when there is a question of this nature the matter is dealt with by my ministry staff rather than by the personnel out in the field itself, you might say, in the various registry offices. It makes me wonder if at some time we wouldn't have the tax collectible right at the site. Except, when you recognize the problems confronting you under the Speculation Tax Act and when you have to have an evaluation done in order for it to be ascertained what amount of tax is payable, I would foresee that at least for the immediate future we are going to be involved with having to inspect each one of these transactions in the ministry offices themselves.

Mr. Lawlor: Therefore the public should be fairly severely warned that to wait until the last minute and to approach the registry office with documents in hand will mean almost invariably they will be turned away. They have to seek out their clearances and when they approach they have to come with clean hands; they have had to pay the tax already. Then they will run into no difficulty with respect to their documents.

Hon. Mr. Meen: I would observe that what I have been saying, of course, refers to the speculation tax. When you are talking about that you are talking about a period of time yet in which we don't consider that any significant accretion in value will have occurred so there isn't any particular mechanical problem that I envisage immediately. I do see what the member is talking about and I would concur with him.

I would like to see that capable of being handled at the site, but if you recognize the kind of problem we have you will also realize that maybe we are going to need a computer printout arrangement in every one of the registry offices to feed back the information available—and it will be available through the assessment part of my ministry—in order to establish values and so on when there may be some point come into question.

I don't know, whether we will be able to have that sort of mechanism available for the convenience of the public in the 60-odd registry offices around Ontario. I'd like to think that's a measure of sophistication we will be able to achieve.

Mr. Lawlor: I doubt if that will take place. I think you have to make the legal profession particularly cognizant of that—that they have to seek prior clearance. That will be all there is to it.

Mr. Chairman: Shall this subsection stand as part of the bill?

Mr. Cassidy: I wanted to ask, Mr. Chairman—I'm afraid I wasn't here on Tuesday and the question may have been raised then—does the minister intend that the assessment records will be the basis of valuation at April 9? Is that his intention? Or has he in fact stated what the policy will be as far as that is concerned?

Hon. Mr. Meen: That is the intention, Mr. Chairman. We believe we can assess a reasonable figure for market value as of VO Day, or whatever we are going to call April 9.

Mr. Lawlor: VD Day No. 2.

Hon. Mr. Meen: If this mechanism is as effective as we think it will be within the ministry we will be able, fairly speedily, to establish a value on any particular parcel in Ontario as of that date.

Mr. Cassidy: Maybe I can follow up and ask when will the ministry be able to give that kind of valuation as of April 9, when people begin to ask? When will you be equipped to provide that kind of information?

Hon. Mr. Meen: We are equipped now. The ministry has been doing that in the succession duty office, of course, for quite some while; in the assessment office also. What I was referring to was the further degree of sophistication with the computer system which will be available in the residential area by the end of this year, and for the commercial and industrial area by roughly this time next year. We can do that now for any property which comes up, but the mechanical work involved in coming to a fair valuation on any particular property is somewhat greater now than it will be later.

Mr. Chairman: Shall this subsection stand as part of the bill?

Mr. Cassidy: No. I am concerned because the previous Minister of Revenue (Mr. Grossman) said that due to difficulties within the ministry the whole assessment programme was being delayed by a period of two or three years. This minister says his department is ready. How many instances of valuation for succession duty would the ministry have had during the course of a typical year? How many does it expect under this particular Act? I would suspect that—

Mr. Chairman: I fail to see—

Mr. Cassidy —something between 70,000 and 100,000 valuations will be required in the course of a normal year as part of the Land Speculation Tax Act.

Hon. Mr. Meen: We do expect to have an increase in the workload in this area but I don't anticipate any particular problems.

What my predecessor was speaking of was the completion of our assessment and the placement of that material into computer record form as well as a detailed analysis. occupying roughly 18 months, of the effects of the use of these market value assessments on the tax picture of the taxpayer. It is not the matter of evaluation that is bothering us—we think we will have pretty accurate assessment figures very shortly—but the impact of the use of those without understanding the shifts within various classes.

Where some have been assessed at 10 per cent and brought up to market value and others have been assessed at 30 per cent and brought up to market value, obviously if the mill rate applied to the fellow whose property has been assessed at 10 per cent is the same mill rate as applied to the fellow whose property is assessed at 30 per cent, he is going to notice a significant increase in his taxes.

Therefore, we have got to look at the various elements surrounding that before it is put into effect in the year 1976 for the year 1977, but what we are saying at this stage is that we should have the capability, in terms of staff, material and information, to cope with these problems as they come along.

Mr. Cassidy: What I am saying, Mr. Chairman, is this—

Mr. Chairman: Order, please. This seems to be beyond this particular subsection.

Mr. Cassidy: No, I don't think so. It says the tax will be paid at the time, and the question of the member for Lakeshore was related to the computation of tax at that particular time. I understand that this question hasn't been raised previously, although there would have been one or two occasions when it could have been raised previously, Mr. Chairman, and possibly you could bear with me.

Mr. Chairman: It does not seem to affect this section. I have allowed the question for the sake of information. Is there a further point of clarification?

Mr. Cassidy: I am asking for a bit of co-operation from the chairman, Mr. Chairman. I haven't entered into this debate in any significant way up until now—

Mr. Chairman: The chairman can't—

Mr. Cassidy: —and it was not possible for me to be present on Tuesday.

Mr. Chairman: Order, please. The chairman has no control over whether you are here or not in that respect, so you can't go back and open up the whole field again. In allowing the discussion, I allowed it for the sake of information—but it doesn't affect subsection 3.

Mr. Cassidy: Mr. Chairman, may I say then that there will be an occasion later on during the course of that bill when this will be raised, so it would be simple enough to raise it now while we are sort of halfway through the discussion.

Mr. Chairman: Let's raise it at the appropriate time then.

Subsections 3 and 4 agreed to.

Section 2 agreed to.

On section 3:

Mr. Chairman: Any comments, questions or amendments on section 3? The member for Waterloo North.

Mr. E. R. Good (Waterloo North): On this section, there are two questions I would like to ask for my own edification.

Regarding the duties of an executor as they pertain to the payment of this tax, could the minister inform me where property that is designated property and subject to taxes is be transferred by terms of a will in an estate which would be taxable, if I am correct in assuming that the payment of that tax would then be deducted in reducing the size of the estate as it relates to provincial succession duties?

Hon. Mr. Meen: Well, you are asking me for a legal opinion in an area outside this tax, but I think that my off-the-cuff opinion would be that it would not be deductible, because a disposition does not occur pursuant to the terms of the will or of the Devolution of Estates Act if it passes on in intestacy, but rather it would occur when the executor or the administrator subsequently conveyed the fee in the property, either to a beneficiary named in a will or pursuant to his authority to recover moneys from the assets to then distribute among the beneficiaries. So it would be payable at that time. To touch on the question of whether it is a deductible item, it would not be because there is the basic worth of the estate, minus the basic debts and the statutory allowances for other charges that may be made against the estate—funeral accounts, for one —to derive a net value for succession duty purposes in the estate.

There are other parts of the Succession Duty Act that bear on a beneficiary, but I don't think they would affect us here. Therefore, to give a short answer to the member's question, the tax would not be a deductible item for the purpose of succession duty calculation.

Mr. Good: Thank you. That is most alarming news, Mr. Chairman, and it probably doesn't just affect the wording of this particular section.

Could the minister answer a further question. If property is tranferred, say, outside the terms of the will but transferred because it was held as, say, joint tenants and not tenants in common, would that transfer be considered a disposition under the terms of this Act?

Hon. Mr. Meen: I would say it's not considered a disposition.

Mr. Good: It is not?

Mr. Chairman: Section 3. The hon. member for Lakeshore.

Mr. Lawlor: Unavoidably, as the minister probably knows, my colleague from Downsview and myself were with the attorneys general of the provinces of Canada on last Tuesday night after having given our very best efforts during the afternoon to bemuse the Minister of Revenue. On a number of occasions during the debate I have raised the point about bequests and the general dispositions of land under wills, and so forth. Did you go over it in my absence the other night? Or have you addressed yourself to the question I originally asked at the beginning of the first section?

Hon. Mr. Meen: It was the matter of the trust. The question the hon. member raised was regarding the removal of the word "trust" from one of the earlier sections. I think that was dealt with under subclause (p) of 1, probably in the member's absence.

Mr. Lawlor: Oh, that's a dirty trick. It does affect the central portion of this section. This is where the tax falls. What's it all about? Why is the section in there at all? Is it for constitutional reasons, a business of direct and indirect taxes? Is it construed that the trustee is not the owner in such a way as to bear the tax brunt frontally on his own head? Or, if he were placed in that position, that it would be indirect taxation, which the province can't do? So that at one portion of the thing, you seem again to talk with a forked tongue.

You say in one part that the trustee, executor, and so forth, the person acting in fiduciary capacity of designated land that is disposed of, is not, as such, personally liable for the tax. Then you go on to say that he is. I put it to you quite bluntly that's what you do say. Do you agree?

Hon. Mr. Meen: No, with respect, Mr. Chairman, I don't. I can understand what the member is saying. But what we're saying here is actually that, in his capacity as an executor, or as a trustee, he has a basic responsibility to see to the due payment of the debts of the deceased. Now, it's not his personal liability to pay that so we say he is not personally liable for that. But if the

money has come into his hands in just the same way as an executor or trustee is responsible for collecting in the assets of an estate, payment of the debts and eventual distribution of the assets among those beneficially entitled, and if he gets in the moneys resulting from a transaction out of which a tax liability arises, then it is his responsibility to see that that liability is paid like any other debt of the estate.

Mr. Lawlor: It is not quite as simple as that. It's not a case of if the money comes into his hands. If he doesn't damn well see that it gets there—if he doesn't collect, as well as what he does collect and doesn't remit—then it seems to me all to come to the same thing. I wonder why? It's like the dance of the emu in the Kalahari—a huge section like that which does, fundamentally impose a tax both for omission and commission, for negative and positive, for doing it and for not doing it. He's caught. I thought it was for constitutional reasons but if it's not for that then I don't see much worth in it.

Mr. Chairman: Shall this section stand as part of the bill? The member for Ottawa Centre.

Mr. Cassidy: Yes, I have a question about it, Mr. Chairman.

Part relates to this. That is, the question of the amount sufficient to pay the tax on the designated land is a concept which in my mind is relatively unclear. The second thing is that the penalty which is imposed in subsection 2 of this section can in fact be far heavier than it would appear was the intention of the legislative draftsman. If the executor, administrator or trustee doesn't collect an amount sufficient to secure the tax he is guilty of an offence and is liable to pay an amount equal to 150 per cent of the tax.

For the sake of argument, the tax may be $50,000 on a substantial property worth $250,000 or $1 million. The amount by which the trustee under-collected could be $1,000 or $2,000, but his liability is not 150 per cent of the amount under-collected, it is 150 per cent of the total amount of the tax, according to the reading that I have of this particular subsection. Would the minister confirm that?

Hon. Mr. Meen: I think the amount of the tax as I would have tried to interpret it would have been the amount in reference to the amount that was unpaid.

Actually, section 2 is taken from section 26 of our Ontario Succession Duty Act, which has precisely the same wording, at least essentially the same wording. It's based on it, with the same 150 per cent reference and the like. That has stood the test of time in our statute for some years.

Mr. Cassidy: Well, the succession duty is something which I would suspect is a lot more fixed and immutable than the tax that we are talking about in this particular bill. By its very nature, a speculative tax is rather difficult to define. When you get into the number of exemptions, loopholes and deductions which are put on this particular bill, it becomes more difficult.

In the case of an estate there is an established procedure for probate which the lawyers in the House can tell more about than I can. You value the property. Much of the estate is often in forms which are very readily valuable—for example, mutual funds, stocks which can be valued at a particular day, and other things like that.

For the value of the real property involved, once again you simply ask your appraiser to go in and say, "How much is the house worth?" The house is worth $45,000. "How much is the cottage worth? How much is the shop for the building or the investment property worth?"

That's all they have to know. They don't have to get into the business of differentials. And it is when you get into the question of differentials, of course, that you run into some of the difficulties that I was trying to talk about before. The reason I raised that question before was simply this: The assessment now being made by the minister will be, one assumes, internally consistent. If they're 10 per cent over market or 25 per cent below market in a consistent way, if they are okay in relation one to the other, then it is a relatively fair system of levying tax on property.

But if valuations for this particular tax have got to be made between current market value and a deemed April 9 value, calculated according to assessment value ratios which may have been five or 10 or 15 per cent out of line with the market, you get the trustees in a very difficult position. They could make a decision about the amount of tax which ought to be deducted and then find that they were wrong and that the ministry is saying, "Look, on the books that we cooked, you ought to have laid aside another $5,000 or $10,000."

You now find yourself liable not for 150 yer cent of $5,000 or $10,000 but for 150 per cent of the full $50,000 or $75,000 that was there.

I know that the minister may say that the courts are not going to levy the full amount. It is possible the ministry would seek to avoid taking any action where it was convinced there had been honest error and there had been no intent to defraud the Treasury. But it seems to me that these points should have been included in the law and anything entered here in Hansard is not sufficient since the declarations to the minister are not equal, in any respect, to the wording of the law when it comes to interpretation by the courts.

Hon. Mr. Meen: I am not particularly convinced by that argument, Mr. Chairman. The executor or trustee or administrator would apply to the minister for an assessment, filing with the minister the necessary documentation and obtaining an assessment of the amount of money payable. It seems to me he is not in any great position to fiddle—if I can use that term—the figures because eventually the assessment division is going to bring in some figures which will either confirm those he has or will show that his acquisition cost was really lower than he allowed it to be or that his disposition price was higher than he was laying it out to be, thereby suggesting there should be more tax payable.

The member for Ottawa Centre wouldn't be expected to be conversant with practice under the Succession Duty Act but the areas to which he makes reference are probably the most straightforward areas. I would mention to him that under that Act, my ministry has to contend with street certificates, with bearer bonds, with unregistered assets of one sort or another which are still assets of the deceased and which still have to be accounted for but which the executor might well be in a position to dispose of without any particular record.

It follows, then, whether the member is talking of the Succession Duty Act or whether he is talking under subsections 1, 2 and 3 of section 3 he is still talking of a very significant amount of tax potentially arising and the possibility that someone, under this Act or under the Succession Duty Act, could fail to disclose some matters to the ministry when, under this Act, they are endeavouring to obtain an appropriate figure for the tax. That is part of it. I think the penalty, as I say, has stood the test of time and is an appropriate one to have in this section, as I suggest it is appropriate under the Succession Duty Act.

Mr. Cassidy: I don't believe in proposing amendments because I think the whole bill is so riddled with loop-holes it should have been sent back and the government should have brought in a decent kind of tax on speculation rather than this halfhearted concoction.

However, we are faced with a problem here. The minister knows I have no particular compunction in recommending, as I have done in this House, much heavier speculation taxes than are being imposed by the government, so that doesn't bother me. However, the question of fairness is involved here, too. He points out, rightly, that in the case of acquisition of a property after April 9 there will be an acquistion price. There will then be discussion between the transferor and the ministry about the value of the exemptions over the course of the time the property was held, and then there is a disposition price. On that, the difficulties are perhaps somewhat similar to the difficulties of valuation which you have under the Succession Duty Act.

However, for the first two or three years of application of the Act, the period when it is hoped, according to the Treasurer, that the Act will have its greatest psychological and real impact in Ontario, Mr. Chairman, the properties changing hands will be mainly properties owned by the transferors as of April 9. The value of those properties will be exceptionally difficult to assess and there is going to be a tremendous amount of dispute about that. After all, the value of properties in Toronto has gone up by 43 per cent over the course of the last 15 months; right now, the average value of property seems to be going up by four or five per cent a month.

In another month or two, if one is to believe the Minister of Housing (Mr. Handleman), the chairman of the real estate board and the Treasurer, some of these values are going to come back down again temporarily.

Mr. Chairman: I am wondering if the hon. member knows that this section, as I read it, deals with trustees. It should be—

Mr. Cassidy: That's right. I am talking about the problems the trustees will have, Mr. Chairman, when they try to assess the amount of money that they are going to be

asked to put aside. Let's take this set of circumstances, where a sale has been made and the transferor instructs his lawyer or his trustee, or his beneficiaries instruct his executor, to go ahead, and close the deal in 30 or 60 days. The ministry is asked for an assessment, and wonder of wonders, they manage to get it out in 15 or 20 days. And they come up with an assessment which is, for the sake of argument, twice what the transferor or his agents believe is reasonable, the property having been held in those particular hands over a period of time, possibly even a period of years, prior to April 9, 1974.

Now, what is going to happen? The ministry is saying to the executor or to the trustee that under no circumstances is he to accept the instructions from his client when he says "pay what seems reasonable in the circumstances," rather than paying the assessment which has been laid out by the ministry. The assessment by the ministry is valid only insofar as it is accepted by the taxpayer. I think that is correct. If the taxpayer chooses to challenge it, then it is an assessment that is created, I presume, one way or another by the courts, where these things can eventually wind up.

So, the assessment by the ministry is only valid insofar as it is accepted; in fact, it is in the nature of a tax ruling, which the taxpayer can choose either to accept or not to accept—in the nature, one might say, of the kind of tax, really, which the minister chose not to seek from the federal government.

The minister says that the trustee is honour-bound to go to the ministry and seek this tax ruling, and, with this situation, he goes to his client and says: "Okay, out of the proceeds of this deal, I have got to give $100,000 into the ministry, otherwise they are going to zap me for up to $150,000, because that's what the penalty is right here. Now, if it's $98,000 rather than $100,000, and it's not the $2,000 on which they'll zap me for 150 per cent, then that risk, you might say, I am willing to take. But, I simply will not go along with $150,000 at writ, even though I agree with you completely in thinking that the ministry and the ministry's appraisers and valuers are absolutely zany; they are insane, they are wrong, and I counsel you as my client to fight that ruling. I think it's worth spending $5,000 or $6,000 in legal fees to go to the courts because the decision of the ministry has been unconscionable."

You get a situation though where, unlike many other situations, the taxpayer is, if you will, judged by the ministry and has to abide by that ruling until he can wrest the money away from the ministry in the courts. Now, as I understand it, in other sectors of tax law, for example, in income tax, the taxpayer makes a personal self-assessment, he submits his forms, he submits his cheque and he says, "Here you are, because of these deductions and these other privileges and so on that are law, I have to pay you $6,000 or $10,000 in tax and here it is."

The Ministry of National Revenue up in Ottawa, which handles these things for us, takes a look at the appraisal made by the taxpayer and if it disagrees, it may come back and say, "Look, we are assessing you, not at $10,000 but at $15,000, and if you accept it, fine, give us the $5,000, and if you don't accept it, then you are going to have to appeal." And that's what is done. But the significant thing about that appeal is the fact that the appeal is carried out while the money is in the taxpayer's hands rather than in the government's hand.

Mr. J. E. Bullbrook (Sarnia): That's not right. That's not correct.

Mr. Cassidy: Eh?

Mr. Bullbrook: You're wrong.

Mr. Cassidy: Am I wrong?

Mr. Bullbrook: You have to pay the tax because—

Mr. Cassidy: Oh, I beg your pardon, you have to pay the tax once you are assessed. But the tax is paid into a trust fund, is it not, when you appeal?

Mr. Bullbrook: The government has the money.

An hon. member: It can be paid into court.

Mr. Cassidy: It can be paid into court?

Mr. Bullbrook: No, no, no. You just pay it. You can't pay it into court.

Mr. Cassidy: Okay, well, let me try it again, then. The appraisal is made by the individual and it's only if the assessment disagrees with that personal appraisal that the ministry orders the taxpayer to pay the additional amount in order to carry out his appeal.

In this particular case though, because these things are almost entirely handled by

trustees and agents; the trustee or agent is compelled to honour the assessment made by the ministry before he and the taxpayer have reached a decision. That is a very significant change, I would suggest, in the way in which these things have been carried out heretofore.

Mr. Chairman: The hon. minister.

Hon. Mr. Meen: No particular comments, Mr. Chairman. We are dealing with the liability for payment of tax, not with the procedure on assessment.

Mr. Bullbrook: I suggest most respectfully that we are dealing with the procedure. I want to ask several questions that cause me vital concern.

Mr. Chairman: The hon. member for Sarnia.

Mr. Bullbrook: Before I do, Mr. Chairman, I want to convey some of my observations to the minister—and I think there are times when he respects the validity of comments I make in the House. I have just flown back from my riding.

I want to tell you that this tax is having an impact upon the economy of this province the like of which hasn't been seen in many many years. I want to tell you that you are stultifying the normal and usual dealing in real property commerce in this province. I want to tell you you are putting the legal and accounting professions in an almost untenable position with respect to their responsibility. I want to tell you you are putting your own public servants who have sworn to uphold the law in an extremely delicate and difficult position with respect to this.

I want to ask you now in connection with this particular section, is a solicitor acting in his normal capacity with respect to the disposition of designated land where exemption does not occur in a fiduciary capacity?

Hon. Mr. Meen: Mr. Chairman, I have assumed in looking at this section, in reference to the hon. member's question, that if he receives money into his trust account of this nature, he might find himself accountable. I have observed to myself that were I practising I might worry just a little bit about the disposition of the funds which I received on the sale of a property, unless I were absolutely certain of the way in which there might or might not be a tax liability on that.

Mr. Bullbrook: I have almost come to the conclusion that I want to stop using the verb "implore," but I implore you again to recognize the ramification toward solicitors, in general, with respect to this statute.

As of this morning in the city of Sarnia the land registry office is not obliging the solicitors, if they feel an exemption is not applicable, to file the normal affidavit that was provided to solicitors in connection with the exemption. I ask everyone in the House, not just the lawyers, to think about what you are saying the lawyers must do. They have an obligation to clients to act on their behalf in their best professional manner.

I give you an example of a transaction entered into on April 11 that is to close on Monday, May 20. We then will not have passed this statute, there is no doubt about it. The statute will not at this time be law. No one will be assured what the law will be applicable to that transaction, and yet for commerce to continue in its normal fashion, for the lawyer to undertake his obligation, he has two things to do: he has to act in the best interest of his client to complete that transaction next Monday, where time is essential to his client's legal position. He must attempt to advise his client as to what the application of this tax might be, not knowing what the law will be at the time. And superimposed upon that he has the obligation of withholding from his client sufficient moneys to take care of the tax—I see the minister shaking his head, and I don't want to continue if I am wrong. Stop me if I am wrong. Please do.

Hon. Mr. Meen: All right. Yes, I am pleased if I can help the hon. member in this instance. We have been issuing lien clearance certificates on these transactions since Wednesday, April 10. Throughout these weeks when the bill has not been law there has been the question of a lien arise. Now the point is that my ministry does not take the position that since April 9 there has been any significant accretion in value. We are issuing lien clearance certificates, and the lawyers need have no worries about that.

Mr. Bullbrook: I obviously don't have the ability to express myself properly, obviously I don't.

Hon. Mr. Meen: If the hon. member will bear with me, what I am trying to say is that within our competence to issue these lien clearance certificates, and reassure the counsel acting for the clients in these transactions that there is no problem, we are doing our best to see that they are accommodated.

Mr. Bullbrook: Is the minister not aware that the majority by far of the exemption

certificates that he has granted were because of the fact that the transactions were entered into prior to the date of April 10?

Hon. Mr. Meen: That may be.

Mr. Bullbrook: Sir, please. You see, when you give me answers like that saying you are getting lien clearances, surely you are—but the problem is they are so simple to get, and they have been, because the transactions were entered into; and the lawyers could quite validly and in good faith say that there was an obvious exemption.

Now we are getting into the time when there isn't the exemption but the lawyers find, for example, that they have transactions when the funds from one transaction are called upon to complete a series of transactions in which there might not be an exemption. Just think of the implications of this. Obviously not many people are concerned with the implications; I don't know why I concern myself with it so much, frankly.

I want to say to you, sir, if the lawyer is in a fiduciary capacity, I don't think any lawyer worth his salt, legally or ethically, is going to put himself in a position of distributing any of the funds from his trust account with respect to this tax. I take it you agree with this?

Hon. Mr. Meen: Yes.

Mr. Bullbrook: Do you realize that, as of tomorrow morning, were I doing a transaction and having regard to the implications of this statute, I wouldn't pay out one red cent to my client? Yet that is my client's money, impressed with a trust for him; yet I am impressed with a statutory trust now to collect the tax on behalf of the government of Ontario or suffer a penalty of 150 per cent. I'm not? Tell me where I am wrong, I am sorry.

Hon. Mr. Meen: No, only if you receive the money into your trust account. You can always—

Mr. Bullbrook: That's not what I am talking about.

Hon. Mr. Meen: The solicitor for a purchaser will always see that the purchaser's money is paid to the vendor unless there is a direction signed by the vendor authorizing it to be paid in some other direction as, for example, to the vendor's solicitors. That is a nice convenient mechanism we have all used for years in order to get the money into our trust account, supplemented perhaps by other funds from mortgage advances and the like, to use on the purchase of another place.

At this time, while we are in this transitional stage and perhaps for some while in the future, I can imagine the legal profession may feel itself in a much safer position if lawyers say to their clients, "Give me a direction to ask your purchaser to make so much money out of your purchase price payable over to Y, because I need that amount of money to buy your home." We often do that anyway; it keeps the money out of the lawyer's trust account. I would expect they may well want to be doing that.

Mr. Bullbrook: I just can't describe how I—I just can't believe what I am hearing from a normally sensible practitioner of the law.

I would suggest off the top off my head—and I invite contradiction again—that 80 per cent of the real property transactions handled by lawyers in the Province of Ontario require payment into trust accounts for the purpose of general commerce.

In most cases they have a mortgage to pay off and they want to have those funds in order to undertake to discharge the mortgage. On many occasions they have collateral obligations which have to be taken care of. You mentioned paying the agent. I happen to refuse to honour that direction. I don't pay the agent; I leave it to my client to pay the agent. That's a contract between the agent and the principal which I don't happen to honour; that's up to him.

Hon. Mr. Meen: I agree with you.

Mr. Bullbrook: Perhaps some solicitors feel that obligation but aside from that you know yourself, in the majority of circumstances by far, the funds have to be paid into the trust account. Are you wanting to cut me off?

Mr. Chairman: No.

Mr. Bullbrook: Mr. Chairman, I can assure you of this; I am right on the point.

Hon. Mr. Meen: Mr. Chairman, on this point I would support the member for Sarnia. He is talking to this general section—

Mr. Bullbrook: I am talking about something I am sure my colleagues are going to get up on. My colleague from Downsview and my colleague from Kitchener are champing at the bit for me to sit down so they

can add to this because of the ramifications. I want to say I am sure every lawyer in the Province of Ontario, now that the minister has said that in his opinion such lawyer acts in a fiduciary capacity—may I say I agree with you? I don't think a lawyer taking funds into his trust account can, in any way, extricate himself from the impact of that section. None whatever.

I want to back in for a moment. This is something that I could never understand and that I've discussed with others. It's been touched upon directly by the hon. member for Ottawa Centre, with whom I don't agree very often, but I agree here. Why the significant onus on the part of citizens of Ontario to collect the tax for you? This I can't understand for a moment.

Normally, the only type of taxes that you collect are those direct taxes that you're called upon, unwillingy at times, to collect, and you collect those through vendors. Your sales tax, your gasoline tax. But your normal type of tax is collected, as is the federal tax, with a foundation of, I would say, propriety and understanding with respect to the taxpayer. The taxpayer calculates the tax under the law and remits to the tax collector those taxes. You do it in every instance that I can think of. Your succession duties are payable in that fashion. Your share of the personal income tax is payable in that fashion; and I would think should be so payable.

I say to you that the land transfer tax is an entirely different situation. You are entirely justified in taking the position that, with respect to non-resident sale of a property in the Province of Ontario, you must protect the public weal, as does the withholding provision of the Income Tax Act. That's most eminently sensible. And I doubt if you'd hear anybody take issue with that.

But why, first of all, is it necessary to invade the general commercial activity by saying you will extract that tax forthwith? And, secondly, why do you put an onus on the legal profession? Because let's face it, with respect to normal trustees, administrators, executors and others in a fiduciary capacity, they are normally established on a rather long term basis. I think the minister would agree.

Hon. Mr. Meen: Trustees.

Mr. Bullbrook: Well yes. When you have trustees, it is a long term relationship. The fiduciary capacity that really has the volatile impact here is the solicitor-client relationship. Again I say to you, I agree that they're in the fiduciary capacity. How we can contemplate, even when the tax position is stabilized, putting that type of onus on a solicitor is beyond me.

Secondly, I say to you again that this is a twofold trust. First of all, he's got a trust to his client to account to him for those funds. You impose upon him a statutory trust to account to you for taxes. Thirdly, may I say to you, and this is what causes me more concern than anything, if you couple your subsection (3) and the other subsections (1) and (2) together, here's what you're asking of solicitors—you're asking them to assure that they pay the tax on behalf of their client, and that they calculate interest at nine per cent, from the time that the tax should have been payable.

Mr. Singer: And that's going to be changed by regulation.

Mr. Bullbrook: That's going to be changed by regulation? Because that today is an impossibility. It's an impossibility, today, for them to calculate the absolute interest that's payable from the date of the disposition of the designated lands.

But more important than anything, you render a personal liability to the solicitor of 150 per cent of the tax itself. I just can't for a moment think that you, as a solicitor—I'm sure you have, I shouldn't say this to you, I'm sure you've recognized the impact of that, the significant impact upon our profession? We're not standing up asking, as we normally do as lawyers, for something peculiar to our own bent. What we're saying here is: Goodness gracious, don't try to make the legal profession tax collectors; because it's going to be the legal profession that really is going to bear the burden of this. I want to stop for awhile, because I want you to respond. I've made my point.

Hon. Mr. Meen: The hon. member refers to our making the legal profession tax collectors. We aren't really. We're just saying that if we, as lawyers acting for clients, get the money into our account, and there is a liability attached to that money for a partial payment of the liability, and if we have done that and we've got the money into our accounts, then we will have done so because we were able to satisfy the purchaser that there was no lien. There would have been a lien clearance certificate obtained, either by the payment of the tax, which would be the preferable way out of any other moneys available, or giving security or giving an undertaking to pay the moneys. I don't think it's really imposing that great an additional burden. Those of my colleagues

who are practising law will simply have to learn about this mechanism. But, I really don't think that it's as horrendous as the hon. member for Sarnia would make it out to be.

Mr. Bullbrook: May I give you an example? I am going to give you an example, right now, that I am sure lawyers will be faced with—an example of a client who swears to a valid exemption under the Land Speculation Tax Act. You know the affidavits I am talking about? Supposing he swears on a stated set of facts to a valid exemption? He follows that affidavit with a documentation at the registry office, but there is not a valid exemption. His assessment of the validity of the exemption is not a correct one. I am exaggerating for the sake of example. Okay?

It means, in effect, therefore, that there was a tax liability, and the exemption shouldn't have been claimed. And since there was a tax liability, section 3 comes into effect. And the lawyer has disposed out of his trust fund the money to the client on the basis of the affidavit sworn by the client. The lawyer, then, is technically responsible to a fine of 150 per cent of the tax.

This is the type of thing. Mr. Chairman, I want to say this to you. I have said it so many times, with respect.

For two years I haven't spoken as much in this Legislature as I have on this bill, sir. I can assure you I haven't. I want to say I am so concerned with the impact of this legislation that I cannot properly describe it, because what we are doing is passing tax laws about which you will say: "Oh, we won't do that," or "Oh, we didn't mean that"; because that's the impact of section 3.

What is the lawyer to do when his client has already sworn there was an exemption? The transaction has already closed, as many have. And in many instances, if not most, the exemption is a valid one. But supposing the Minister of Revenue says: "I am sorry, it wasn't a valid exemption." Do you realize that the impact of this is, as I say, that that lawyer who dispersed in good faith on the basis of an affidavit so sworn, dispersed those funds to his client, which it is his obligation so to disperse, is now subject to a penalty of 150 per cent?

As one member of this Legislature, I just cannot tolerate a response that says: "Of course, we will be fair." Tax laws, all laws aren't based on the fact that a minister will be unfair. We presume that you will be fair, equitable and just, as were your advisers. But we are passing laws that subject people to this type of punitive measure without reconsideration. And I don't mean to defame it and I don't mean to harp on it when I say this is the trouble with the statute; the impact of section after section has not been given sufficient consideration.

It is not the fault of the Minister of Revenue, and I'm going to harp on that. It is the fault of the Treasurer's position, where he insisted that it was politically expedient, and I recognize it is, to conceive of such a tax. We support the principle of true speculators being taxed, but the problem is the Minister of Revenue and his advisers are again caught up in this insidious law play that they have. They must enact a law to specifically statutize a concept that is good in itself. I intend to say this to you, I'll stand against this section. I don't know whether anyone will join me in standing against this section. But I am not for a moment—

Mr. Lawlor: I'll join you.

Mr. Bullbrook: Be it that I am a lawyer, acting as an advocate for the legal profession; but that isn't it. I am going to stand against this section, because I am not going to vote in favour of any statute that imposes a penalty of 150 per cent on somebody who has done something in good faith.

Hon. Mr. Meen: I will tell you this. I would not think for one moment that an action could be maintained against a solicitor in the circumstances the hon. member for Sarnia describes. I couldn't imagine anyone would consider that a claim would be made against him in these circumstances. But I tell you this—although it is clear from subsections (1), (2) and (3) that that might happen—of course we don't want to wipe out a collusive arrangement between a solicitor taking a false affidavit. The hon. member for Sarnia is not talking about that. He is talking about acting for a client whom he believes to be swearing a true affidavit, and it turns out later on that maybe the client has given him a false affidavit. And if the members—

Mr. Bullbrook: Maybe the affidavit is false in fact and not false at the time. I'm saying that he might swear that he thinks he has got an exemption when in fact he doesn't have an exemption.

Hon. Mr. Meen: That would be a mistake in fact.

Mr. Bullbrook: It would be a mistake in fact, but that doesn't make any difference.

Hon. Mr. Meen: I would like to reflect on this and what I want to do. I would suggest we could stand this section down, because it may be possible to put a subsection (4) or something of that sense in here; or perhaps under the prosecution sections or whatever, in order to protect the profession. There is no way in which I could buy that kind of thing any more than the member for Sarnia could buy it. We want to see that at least commerce can be carried on.

Mr. Lawlor: Mr. Chairman.

Mr. Chairman: The member for Lakeshore.

Mr. Lawlor: Mr. Chairman, I would think that is very sensible on the part of the minister. What's happened here is that the very point at issue didn't in the course of the drafting come to mind. When the word was used, they wanted to throw the net as broadly as possible with respect to trust and fiduciary relationships and that placed the legal profession in a peculiar position as this specific type of transaction falls day in and day out precisely at the fiduciary under this head. The minister also well knows that the kind of directions we get from clientele directing money is usually done through the channel of conduit of the solicitor himself, who in that process could be, I suspect, designated a trustee even as a conduit; because it is usually the lawyer who gives the further direction as to the fund, althought it's possible to run a legal office, of course, without trust funds and without trust accounts; but I would suspect that is infinitely awkward.

I don't know quite how they would really manage to do it, but I understand there are a few lawyers around who do it. What they do is by way of directions from clientele. They tell the other lawyer to make the cheque to somebody else and never to make it to them. They don't extract their fees half as easily as would otherwise be the case.

Mr. Chairman, I have one other point I have to make under this in continuity with the member for Sarnia. When you get to your certificate sections, when you get to the later sections in the bill in which you may reverse your position and may reassess, there is a kind of an awkwardness there in which, if there is a revisitation or a reassessment say, and the money has all been dispersed, technically speaking in this narrow dimension I think you would find that this was very well applicable. A judge sitting there construing the statute would be obliged to say: "Well I am sorry, but that's what those fellows said up in Queen's Park; and, Mr. Solicitor, not only do you lose all your fees out of the transaction but it is costing you a bundle besides."

The minister is nodding. I think he quite agrees.

Hon. Mr. Meen: Yes, I agree with that, and as a matter of fact I had that section in mind when I was suggesting it might be appropriate to have the addition somewhere farther along in the Act, but if it were appropriate to have it here, it would make nice drafting.

Mr. Lawlor: Have it here.

Hon. Mr. Meen: That might be, having in mind that the reference by the hon. member for Lakeshore has bearing on my observation too.

Mr. Chairman: Is it agreed then that section 3 stand down to a later time?

Agreed to.

On section 4:

Mr. Chairman: Any questions or comments on section 4?

Mr. Singer: Yes I have a lot of questions. Let's hear the minister move his amendment first.

Mr. Chairman: Yes, we have an amendment on section 4.

Hon. Mr. Meen moves that section 4 of the bill be amended by striking out clauses (a) and (b) and substituting therefor:

(a) when the designated land is disposed of by or by way of gift to an organization that is at the time of the disposition a registered Canadian charitable organization within the meaning of paragraph (c) of subsection (8) of section 110 of the Income Tax Act of Canada and is not a trust exempt from tax under part 1 of that Act by paragraph (f) or (h) of subsetion (1) of section 149 of that Act, or

(b) when the designated land is disposed of by a municipality.

Mr. Chairman: The member for Downsview.

Mr. Singer: Mr. Chairman, there are about four separate heads under which this amendment should be criticized. Let me start with the first one.

The amendment says we delete subsection (a), and as far as I can see the old subsection (a) is not reinstated anywhere else. The minister confirms that I am right in that supposition; and therefore that means there will be a tax payable when the designated land is taken under statutory authority or sold by a person by whom notice of an intention to take it under statutory authority was given.

..In simple language, that means if land is expropriated the tax is payable or if land is sold to an authority or a body with expropriating power, as often happens the tax is payable.

Hydro comes in and says sell us your land or if you don't sell we will expropriate. Many deals are made in that way, with the threat of expropriation. Then the tax is payable. Now why, Mr. Chairman, should that be taken out? The original intention made some sense.

The Province of Ontario is going to build a community called North Pickering and probably, sometime later, it is going to build another community called South-East-West Pickering. It comes along a year from now when land prices have continued to zoom and says: "We are going to take that 1,000 acres of land by expropriation, and we are going to build a new community on it." Perhaps the idea is a good one and it is in the public interest.

It says to the owner, who has been quite content to stay there with his holdings and continue to farm, if you will; "We don't really care, Mr. Farmer. Under other sections of the statute we want you to continue farming. We've got great reports about farm land going out of production and so on. We don't really care whether you want to sell it or not, we are taking it. Not only are we taking it but we are going to take it at today's value, whether you like it or not. Having taken it at today's value, we are going to take back 50 per cent of the profit you make on it because you are a speculator."

Now what possible sense does that make?

Mr. Bullbrook: The chairman just looked at you and internally he shook his head.

Mr. Singer: How can you remove what was a reasonable and logical exemption and now say it no longer applies if a public authority comes in and says; "We are going to take your land and we're going to give you a profit whether you like it or not, even if you want to stay; and then we are going to take it back again. We are going to take it back at least at the rate of 50 per cent; perhaps at the rate of 86 per cent; and maybe even at the rate of 112 per cent."

Suppose we are right about the 112 per cent, and I think we are? There is good old farmer Jones sitting there, saying: "Let me farm. Go away."

Mr. Good: Plus succession duties—

Mr. Singer: The government says: "No, you can't farm. We are taking your farm because it's in the greater public interest that we build an Arnprior dam or a new South-West Pickering. We are going to take your land. Not only that, but you are going to have to pay us 112 per cent of the profits that you have made after selling it."

Mrs. M. Campbell (St. George): It's crazy.

Mr. Singer: Surely, Mr. Chairman, that makes no sense at all?

Mr. D. M. Deacon (York Centre): It's laughable, if it weren't so cruel.

Mr. Singer: I urge the minister quietly, and I hope rationally, to reinstate the old subsection (a) which this amendment proposes to remove.

As I say, there are three other points on this, but let's try to deal with that one first.

Mr. Lawlor: Mr. Chairman, may I speak on this point, too?

Mr. Chairman: The member for Lakeshore.

Mr. Lawlor: The point is extremely well taken with respect, particularly I think, to land assembly. Is there not written into the old section as it was a kind of inducement or an attractive element to the person owning the land to sell specifically to an expropriating authority because he was going to get a benefit out of it? He was going to be exempted from a tax.

There probably was some play over precisely what the amount of the tax would be in the 50 per cent situation. It would be a point of negotiation, or at least it would be a moot point in his own mind. In any event, he was exempted and he wouldn't have to play with figures like that, on how much he was going to be mulcted or how much he was going to be saved. That gives the public realm—the municipality on one side of the fence, the provincial authorities, perhaps, in some contingencies—a kind of inside track. Your land policies of recent date have been arrogated in that direction, too. Objectively speaking, it doesn't give him any higher position than anybody else but it appears to.

And that, psychologically, would be the inducement. It is a very valuable feature in legislation of this kind if you can effect a public purpose and meet, perhaps in a congelative way, what was mentioned in this House earlier as actually opening up the market by making a greater supply of land available and developing it and getting it into housing. If it can have this peripheral or indirect side effect, and it can if you leave it alone, then why doesn't the minister do so, because you are killing three or four birds with a single stone? In a fell swoop, the minister removes it from the legislation and it really bemuses me. I think the minister should put it back in; and I think he should put it back in immediately without any further debate on the matter.

The minister saw the virtue of it in the first instance. Is your thinking so purblind, so warped, that having set up your legislation and having brought it into being, on very good consideration I would trust, you would then have seen fit to turn volte-face upon your own position and simply ignore it?

The beauties written into the thing are from the point of view, too, of the negotiating authority, not just from the person being expropriated. The inducements and attractions built into the legislation from the point of view, on a subjective basis, of the expropriating authority, don't give it a bit more leverage. Maybe, maybe not, according to their shrewdness and hardness. He says; "Now listen, you know you are not going to be paying land tax on the thing." And then perhaps: "We can find a more equitable solution to this particular problem." And then: "Certainly you are going to pay."

There is a degree of acrimony in the decree of appeal, and the business of going to the board of negotiation—the whole thing, the way the people are called to fight. They are going to be hit by the double ramming of taxation and of being expropriated all in one bunch, which they always find profoundly unpalatable. Come hell or high water and whatever you may say of the benefits written into the expropriation legislation of recent date taxpayers don't like it; and the second ramming is having to pay the tax on top of it. Really, I'm almost reduced to arguing humanity in the situation and making a compassionate plea on its behalf. But, I think the point was made.

Hon. Mr. Meen: Let me say this, Mr. Chairman, that obviously having put the two sections in dealing in the first sub (a), with conventional transaction to a body that had the capacity to expropriate; and the sub (b) dealing with other bodies and the expropriation; obviously we felt there was some merit to that side of the argument.

Mr. Lawlor: Yes.

Hon. Mr. Meen: But on weighing the pros and cons of this, the evident sense, in the eyes of a speculator, that he might hold on, hoping that he would sell out to such a body and thereby withhold his lands from the private market, certainly was one argument that was advanced.

Mr. Singer: To divine the next time you create a North Pickering?

Hon. Mr. Meen: The section seemed to suggest that we were really favouring speculation. By taking it out, it seems to me that we put the owner of the property in exactly the same position as anyone else.

Mr. Singer: Oh no.

Mrs. Campbell: Oh no.

Hon. Mr. Meen: He can put forward that argument as to the tax that he would pay or not pay to the expropriating body or to the negotiating authority at the time they come to him.

Mr. Bullbrook: He has no right to say no.

Hon. Mr. Meen: Oh yes; that is correct if there is a farm expropriation. But, he can say to them, as to value; "Now I am going to have to pay tax so you are going to have to take this into account in the allowance."

Mr. Singer: He is going to argue and we'll have a new breed of owner saying; "I don't want all that money, pay me less."

Hon. Mr. Meen: He could argue, perhaps, that he didn't intend to sell it. There are all kinds of arguments that he can advance. In the long run, my colleagues and I came down on the side of leaving this individual in the same position as anyone else in the community. If he makes his deal, then he makes it on the basis of fair value. And the cost of that transaction—and it is a cost of that transaction—would be taken into account.

Mr. Singer: He doesn't want to make the deal, he wants to continue farming; which the minister says is a good idea.

Mr. Bullbrook: I just want to say one thing to the minister for a moment, as he has been kind enough to continue standing down things. I don't think he is going to stand this down. We are going to stand up, with

respect to this one; but may I say this to the minister: The fallacy in the concept of you and your colleagues—and perhaps that's what the Treasurer meant in his great budget speech—is that long-term farmers whose lands are taken by Hydro are deemed to be speculators. That's what you are saying on his behalf.

Mr. Singer: All those people who are fighting so hard in Pickering are deemed to be speculators.

Mr. Bullbrook: You are saying they are defined to be speculators, and as a result they will pay this speculator's tax.

Mrs. Campbell: And you don't know how much it will be.

Mr. Bullbrook: It beggars description to think that you would come to this rationalization on the basis of saying that some speculators somewhere, by some happy set of circumstances might have bought some land somewhere to sit on, hoping that some government authority, in its sometime wisdom, would expropriate it from them some day.

Mr. Singer: Yes, and then they would have to pay the tax.

Mr. Bullbrook: Now that's what you have got on one side of the scale. On the other side you have got the myriad of people of Ontario who legitimately don't want to give up their land, but who are compelled by government thrust to give up their land. Those are the two sides of the scale.

I would suggest, in my respectful opinion and experience, that 100 individuals will be caught up in this statute against the one true speculator. My colleague from Downsview made it quite clear; he reduced it to the absurd that it really is.

Mr. Singer: Mr. Chairman, first on a point of order, this is a four-part amendment, and I am going to suggest that we can only deal sensibly with it by dealing with each part. The first part of the amendment is that old subsection (a) be replaced, and I think we should vote on that. If that is agreeable, I will continue to address a few more remarks with respect to subsection (a).

Mr. Chairman: We could place them separately.

Mr. Singer: You see, there are four parts: that subsection (a) go, that subsection (b) go, and that they be replaced by new subsection (a) and new subsection (b).

Mr. Chairman: No, the deleting of the old subsection (a) and its replacement by a new one are considered as one.

Mr. Singer: Well, the new subsection (a) I don't find at all difficult; the new subsection (a) I could go along with. But I don't want the old subsection (a) to go. There are really four parts. The old (a) vanishes forever if this amendment, as put in its present form by the minister, carries—

Mr. Chairman: Well, you could add it as a subsection (c) at a later time.

Mr. Singer: No, but he hasn't done that. The amendment that is before us is that the old subsections (a) and (b) go and be replaced by two others. In my quick reading of the new subsection (a), I find it quite acceptable; the new subsection (b) I don't like. But as I say, there are four parts and we shoulld have an opportunity of debating each of those parts and of dealing with them separately. That is what I am suggesting and asking for your ruling on.

Mr. Chairman: My point is that if you wish that the old subsection (a), as you call it—I don't know what it says—

Mr. Singer: Well the old subsection (a) deals with—

Mr. Chairman: —but you want it to stay, as I understand.

Mr. Singer: That is our argument.

Mr. Chairman: Then you can add it as a new subsection (c).

Mr. Bullbrook: No, it is in the present statute.

Mr. Singer: It is in the statute that is before us.

Mr. Good: Mr. Chairman, do you have a copy of this amendment?

Mr. Chairman: I have a copy of the amendment.

Mr. Good: It was moved that section 4 of the bill be amended—

Mr. Chairman: I understand; I have it right here.

Mrs. Campbell: We don't want it.

Mr. Singer: Mr. Chairman, this is a four-part amendment, and I am suggesting that you rule that we can deal with each one of the four parts separately.

Mr. Lawlor: Surely he is right, Mr. Chairman. It has to be dealt with that way.

Mr. Good: Read the amendment.

Mr. Chairman: I am reading the amendment. Normally you would delete the subsection (a)–

Mr. Singer: Well, this is not normal.

Mr. Chairman: –and you feel this should be added. Right? Does the hon. minister have a comment on this?

Hon. Mr. Meen: Mr. Chairman, you have an amendment before you replacing subsections (a) and (b). It seems to me you could take a vote on that, then let the hon. member introduce an amendment to insert a new subsection (a)(a) or subsection (a)(b), or whatever, if he wishes and then we can vote on that.

Mr. Singer: No, Mr. Chairman.

Mrs. Campbell: You can't bypass–

Mr. Chairman: Order, please. We couldn't insert it after we delete it.

Mrs. Campbell: That's right.

Mr. Singer: No, I am not suggesting an amendment. His amendment has four parts and I am trying to deal with each part separately.

Mr. Chairman: Well, suppose you discuss it for a few moments and I will make my mind up over the dinner hour.

Mr. Lawlor: Mr. Chairman, may I just say a word on it? To take a look at them, you know, they are not related. I have never seen anything like this happen in the House before. The new subsection (a) he is substituting is a wholly different kind of bird or even fish from the bird over here. The things he is substituting are not commensurate at all; therefore, if he is going to take out something that is totally different than what you are putting in, you are going to have to deal with it, I suggest, on its own merits. We object to having it taken out. Some of us don't object to the new thing being put in, so why not deal sensibly with it and take them one at a time.

Mr. Chairman: Supposing you discuss for the next two or three minutes why you wish the old (a) left in?

Mr. Singer: All right.

Mr. Chairman: The member for Downsview.

Mr. Singer: That was the point I was going to come to. I think the minister is trying to create a new breed of cat, an expropriated owner who is going to be put in a position of running to the expropriating authorities and saying: "No, no, don't give me all that money. I don't really want it. You've valued my land too high. I'm going to have to pay too much tax." Think of the new breed of evaluator that you are going to produce. You are going to bring an evaluator in and say: "Now, Mr. Evaluator, you've had all this training, and I know that most people who hire you want a very high value put on, but I'm hiring you this time and giving you instructions to make the value just as low as you possibly can, so I won't have any tax to pay."

It makes no sense. It makes no sense at all and the minister knows this. Leave the old (a) there, for goodness sake. It isn't as though there is any possible way to control the thing.

An expropriating authority has in mind that it needs a particular piece of land and the owner has to give it up. That's what expropriation is all about; and surely you are not going tax that at this rate?

Is the minister aware that the farmers whose land is being taken now for the Pickering airport are taxable under the capital gains sections of the Income Tax Act? Is he aware of that?

Hon. Mr. Meen: I would presume they would be.

Mr. Singer: Yes. That is, in fact, the law. The valuations were done and every farmer has to pay capital gains tax on the extent of his profit over the V-day value, which was Dec. 31, 1971–

Mr. Good: Of which this government did.

Mr. Singer: –over the date of expropriapriation, which is Jan. 30, 1973. So in that 13-month period if there was an increase in value–and most of those properties increased in value –there is a substantial capital gains tax payable.

The minister is going to come along and dip into capital gains tax and take advantage of that same person. Some of the sections here are designed, we thought–when we listened to the minister that was the impression–to try and keep people farming.

Let's come back to the farmer who says: "I want to farm, my children want to farm,

my grandchildren want to farm. We are a great farming group and we are going to farm through the next 10 generations. And once we can't farm, we are going to sell our land to good old farmer Lawlor, who is going to carry on farming."

So, under this statute, apparently he is exempt from this tax. But, lo and behold, along comes Hydro or TEIGA or somebody and says: "No, no, we need your land. You can't farm here any more. Off; we're expropriating."

You fellows want another 50 per cent. It is nonsense. It is unfair. It is unreasonable. For goodness sake put back the old section (a).

Mrs. Campbell: It is unconscionable.

It being 6 o'clock, p.m. the House took recess.

APPENDIX

(See page 2184)

The following answer to a question was tabled:

14. *Mr. Reid*—Inquiry of the ministry—Will the Chairman of the Management Board of Cabinet indicate the number of civil servants employed by the Province of Ontario, exclusive of Ontario Hydro, in the years 1960, 1965, 1971 and 1974, with the total amount of salaries for each year named?

Answer by the Chairman of the Management Board of Cabinet.

CIVIL SERVANTS EMPLOYED BY
THE PROVINCE OF ONTARIO
(exclusive of Ontario Hydro)

Year	No. of Civil Servants	Salaries
1960	32,302	$120,395,142.94
1965	43,141	$206,169,355.06
1971	65,018	$517,580,672.79
1974	68,620	$736,108,151.91

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No. 52



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Thursday, May 16, 1974

Evening Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

The House resumed at 8 o'clock, p.m.

Mr. Chairman: The member for York West.

Mr. J. P. MacBeth (York West): Mr. Chairman, if I may have the attention of the House for just a moment to introduce to the House, Mr. Robert Middleton and the First Etobicoke Central Scout Troop from St. George's on the Hill, who are with us tonight, and particularly one young scout by the name of John Keen. He made all these arrangements, and this is his third attempt, when somebody less persistent might have fallen by the wayside. Because of the House not sitting on previous evenings, two previous attempts had been cancelled. I just wanted to draw to the attention of the House these visitors tonight in the east gallery.

LAND SPECULATION TAX ACT

(continued)

On section 4:

Mr. Chairman: The member for Waterloo North.

Mr. E. R. Good (Waterloo North): Yes, thank you, Mr. Chairman. Speaking on the amendment to section 4—

Mr. Chairman: I believe the minister has a statement to make in connection with the Act which will meet with your requirements. Is the minister ready?

Hon. A. K. Meen (Minister of Revenue): It might be helpful at this time, Mr. Chairman. I was just observing to the hon. members before we reconvened that supper hours are very helpful, indeed, in many cases. In this instance, it gave me an opportunity to review the arguments that have been advanced, and to review my own thinking to get this into as clear a context as possible.

In reference to the provisions with respect to expropriation, I think there are strong arguments on one side and the other. Frankly, I'm rather neutral. I don't care. What we were trying to do was not to favour the speculator. It seemed to me, after seeing subsection (a) and (b) as we had originally provided—and you have heard my arguments as to why we put those in—that possibly there is some reason to believe they should be removed and on balance my colleagues and I decided they might come out. When I listened to the other arguments and reviewing all of this, I can see why some people might be concerned at their removal.

Mr. Good: Like the Minister of Agriculture and Food (Mr. Stewart).

Mr. P. D. Lawlor (Lakeshore): In your humility you have flexibility.

Hon. Mr. Meen: My advisers who I have to say—and I am the first to say this—are more experienced in the law of expropriation than I am and, perhaps, more experienced than many of my colleagues on both sides of the House—

Mr. Lawlor: Never!

Hon. Mr. Meen: In any event, they tell me that one way or the other the net result in dollars to the people is the same. If the appearance is different, if there might be some who would hold out thinking they could do better one way or another, that is another thing. If, as would appear to be the feeling of this House, my colleagues—and I put all of us in this category as members of this Legislature—think this would be a better bill to have the original subsections (a) and (b) included, I would be prepared to do that.

Mr. Lawlor: Yes, good.

Hon. Mr. Meen: Now, we are in an awkward technical position—slightly awkward—in that if we pass (a) and (b), technically they cannot be re-introduced. But under another sub-number and with the concurrence of the committee, I am advised that would not be a breach and if the members were prepared to approve the new subsections (a) and (b), to which I can't imagine any real objection, as they appear under subsection 4—

Mr. Lawlor: I don't know. You have a devious subsection.

Hon. Mr. Meen: —if the members concur with those, the last subsection as printed in

the bill is (h), so there could be two new subsections, (i) and (j), which would replace the original subsections (a) and (b). If the members wish to concur in that—I'd ask, Mr. Chairman, that we seek some expression of opinion on that—we could proceed with debating subsections (a) and (b).

Mr. Chairman: Is this satisfactory? The member for Waterloo North.

Mr. Good: Yes, I think that is satisfactory, other than I would like to have clarified a few additional points, one in the new subsection (b). Shall we discuss the new subsections at this point, Mr. Chairman?

Mr. Chairman: It's optional. We could discuss it with—

Hon. Mr. Meen: I think it would be helpful to deal with (a) and (b) together because they were the ones we have just touched on.

Mr. Good: Under the assumption that (a) and (b) will be reinstated?

Hon. Mr. Meen: Yes.

Mr. Chairman: That's the original (a) and (b)?

Mr. Good: Yes, the original (a) and (b).

Mr. Chairman: Could we cover that first of all? Shall the original (a) stand as part of the bill? Is that all right?

Mr. Lawlor: Mr. Chairman, I'd like to say a word on it. Yes, I think it should.

Mr. Chairman: All right.

Mr. Lawlor: As we indicated this afternoon, and we were fairly hectoring about it, my reason for wishing it to stay—and I trust it's my colleagues' too—is that it will give an impetus to land banking, as I see it, in the province which the contrary would not do. It would be a positive disincentive to land banking.

We are so anxious to get land into landbanks we will agree to any mode or any vehicle whereby governmental agencies, particularly the provincial government—and municipalities for that matter—are able to acquire land on somewhat easier terms perhaps. I don't mean in terms of the actual cash outlay. I mean in terms of the negotiations; in terms of the palatability; in terms of the position of a vendor having raw land or marketable land available and ready, and seeking to play with that land in a way which could be detrimental to the community if it falls in.

The first priority and the absolute attraction lie with one of the governmental agencies. This may be utilized in the realm of the public realm and with a deep social sense. That seems to make a contribution over against the deletion of the section as it presently stands, and I really do commend the minister tonight. You are showing a degree of flexibility and adaptability which is totally unnatural.

Mr. R. F. Nixon (Leader of the Opposition): He is very flexible.

Mr. Lawlor: I think of your natural state when I say that. I didn't say abnormal. Don't get worked up about it. Even when I give a blessing you have to look the Greek straight in the teeth.

Hon. Mr. Meen: Oh, I do.

Mr. Lawlor: There is a Trojan horse in the Legislature. Fine, as far as this party is concerned, bless you, we will accept what you want to do at the end of the section. I think it does substantially improve your legislation.

Hon. Mr. Meen: Thank you.

Mr. Chairman: Shall subsection (a) in the original bill stand as part of the bill?

Mr. Lawlor: You can't do it that way now, I think that the minister will agree.

Hon. Mr. Meen: I agree with the hon. member for Lakeshore, sir. If I may be so bold, could I suggest that the motion might be that subsection (a) stand as subsection (j) of the bill?

Mr. Lawlor: Subsection (i).

Hon. Mr. Meen: Subsection (i). Subsection (b), if it is appropriately proposed at this time as it originally appeared in the bill, should stand as subsection (j).

Mr. Lawlor: Right.

Mr. Chairman: I am sorry, I missed part of what was said. Does that then include the original (a) and (b)?

Hon. Mr. Meen: Yes. If I may repeat, Mr. Chairman, I'm suggesting that your motion might be that original subsections (a) and (b) of the bill stand as subsections (i) and (j) respectively of the bill.

Mr. Chairman: All right.

Mr. H. Worton (Wellington South): Mr. Chairman, I would just like to get some

clarification from the minister. During the second reading of the bill I drew to your attention some concerns expressed by members of the university in regard to their position as far as the tax was concerned. Do I understand now that 4(a) in this new printing, as I call it, of the bill, will now allow them to purchase property or dispose of property without the tax?

Hon. Mr. Meen: No, what that means is that designated land now has this as an exclusion when it is sold to an authority such as that.

Mr. Worton: This would also apply to municipalities as well in (b)?

Hon. Mr. Meen: Yes, it would. Let me just make sure of that. Yes, municipalities are expressly spelled out.

Mr. Worton: The universities qualify as charitable institutions, is that correct?

Mr. Lawlor: Oh, no. You are talking about something different.

Mrs. M. Campbell (St. George): No, they aren't.

Mr. R. F. Nixon: Are universities covered?

Mr. Worton: A registered Canadian charitable organization, the interpretation I got from the solicitors was that this would cover universities.

Hon. Mr. Meen: I can't answer that with any personal knowledge but we do intend to cover the registered, Canadian charitable organizations.

Mr. R. F. Nixon: Mr. Chairman, why doesn't the bill include universities per se, rather than designating them as charitable institutions? Surely the bill ought to clarify that matter.

Hon. Mr. Meen: If the university has the capacity to expropriate, then it would be included under either (a) or (b) of this section.

Mr. R. F. Nixon: Under what other provisions? Why are the universities not included specifically?

Mr. Good: Not if the university wanted to sell.

Hon. Mr. Meen: We are talking here in these subsections of land being sold to these bodies, not their sale. We are dealing with the land to them. If you take a look, it says when the designated land is taken under statutory authority, or is sold to a person by whom notice of an intention to take it under statutory authority was given.

Mr. R. F. Nixon: Suppose the University of Guelph wants to sell some land it has acquired and which is not necessary for its requirements, would it then be subject to the tax? I'm told by the hon. member for Wellington South that such might well be the case, that the University of Guelph might want to dispose of some property, and it would surely be ridiculous if they were subject to the provisions of this bill. They are not speculators.

Mrs. Campbell: Nobody else is either.

Hon. Mr. Meen: They would not, if they qualify as a registered Canadian charitable organization within the meaning of paragraph (c), subsection (8) of section 110, which is the new section I was just proposing to add back in. Mr. Chairman, the hon. members are confusing—

Mr. Lawlor: Yes, I think that is right.

Hon. Mr. Meen: —the old paragraphs (a) and (b) with the new paragraphs (a) and (b).

Mr. R. F. Nixon: It is difficult to keep track without a programme.

Hon. Mr. Meen: All right. But the hon. member for Lakeshore has indicated that I have demonstrated some flexibility in trying to accommodate the views of this House.

Mr. R. F. Nixon: All right, you said that we were morally responsible, that's all.

Hon. Mr. Meen: You try hard, anyway.

Mr. R. F. Nixon: We appreciate your confidence—

Hon. Mr. Meen: All I'm suggesting is—Mr. Chairman, I don't know where we are at this moment— that we go back to deal with the question of incorporating old subsections (a) and (b) of section 4 as subsections (i) and (j) of the bill.

Mr. Lawlor: That is what I thought we had done, Mr. Chairman.

Mr. Chairman: I think the intent is clear.

Mr. R. F. Nixon: Let's just make it clear. The minister intends to include universities?

Hon. Mr Meen: Under what?

Mr. R. F. Nixon: Don't you know?

Hon. Mr. Meen: The minister intends to include a registered charitable Canadian organization. If the university qualifies under that and has applied—

Mr. R. F. Nixon: Don't you know?

Hon. Mr. Meen: I wouldn't know whether a particular university qualified. I couldn't tell you. I happened to go to the University of Toronto. I'm sure it qualified, but I don't know whether other universities would or not.

Mr. R. F. Nixon: It must be charitable if it took you.

Hon. Mr. Meen: Yes.

Mr. R. F. Nixon: Mr. Chairman, I think, really, that we should not gloss this over. I must admit to the minister that I am perhaps as innocent of this as he is, but he is the minister, and he has said that the universities would not come under the umbrella of this Act if they are registered charitable institutions. Can he assure us that the universities are, and if not, why don't we include them per se?

Hon. Mr. Meen: —or if they had the capacity to expropriate I am sure that they would qualify.

Mr. R. F. Nixon: All right, if you say so. That is good enough.

Mr. Chairman: The meaning is clear on this four-sided amendment?

Mrs. Campbell: Mr. Chairman, I am puzzled at this point as to where we are. We have now gone into a discussion, I take it, of old section 4, subsection (b). I understand we have been invited to address ourselves to both the new subsections (a) and (b). Is that correct? Is that what the minister's suggested. It just occurred to me, and I'm just asking this, if on the new (b)—

Hon. Mr. Meen: The new (b)?

Mrs. Campbell: —the new (b) where it provides for the exemption for land disposed of by a municipality—as I say, I want a clarification—are we discussing both of these new sections together?

Mr. Lawlor: No. One at a time.

Mr. Chairman: We can do it whichever you wish. We've got it about four different ways right now.

Mrs. Campbell: My suggestion was, in order to try to overcome this problem, would it not be possible to treat all of those agencies, which have the power of expropriation, in the same way that you are dealing with the municipality in the new (b)? Would that not correct or clarify the intent insofar as universities are concerned?

Hon. Mr. Meen: Mr. Chairman, I am advised that my assessment of this is essentially correct; that every designated or recognized university does not necessarily qualify. They must apply and be recognized. This provision that we are proposing to incorporate would exempt those which are qualified. I'm not going to go out and say yes, these all qualify, or these don't all qualify. The designation that we've chosen to propose here is those that have qualified as registered Canadian charitable organizations under the Income Tax Act.

Mr. M. Shulman (High Park): Why don't you write all the universities in?

Hon. Mr. Meen: We could.

Mr. R. F. Nixon: I really think that the minister should do that, because the provincially assisted universities must surely all have the same powers, and for him to indicate that some have qualified and some have not is just unacceptable. I'm sorry to bother you about this, but you're bringing forward a piece of legislation which could very well require amendment next week if you let it go this way.

Mr. Shulman: It will anyway.

Mr. Good: Mr. Chairman: I think the one point that must be made is this. We can only approve of old subsection (b) because the minister has included the new subsection (b), which means disposition by a municipality. Your old bill did not exempt property disposed of by a municipality.

Mr. R. F. Nixon: To a municipality.

Mr. Good: It exempted property sold to a municipality. So we can only accept old (b) because you have included new (b). When we look back to the old (a) section, which excludes property expropriated by an expropriating agency, we therefore have excluded property that would be bought by a university. But what we are asking is why we see nothing in here which excludes property sold by a university. This is what our problem is, because you can't discuss the old sections without looking at what you have provided for in new sections. Our amendment would have stated, in the old original bill, land disposed of "to or by Her Majesty in the right of Ontario."

Mr. R. F. Nixon: That would have been a nice, simple way to do it.

Mr. Good: But you have chosen to do it differently by saying that designated land disposed of by a municipality is exempt. Your old bill went much further than that when you were talking about land disposed of to Her Majesty in the right of Ontario and Hydro and all the rest. But you have included the municipality yet haven't said a word about other institutions.

Hon. Mr. Meen: We have a broader definition of "municipality," of course. I am sure the hon. members are aware of this definition that "municipality" includes all boards and commissions.

Mr. Good: Yes, but your definition doesn't include "university."

Hon. Mr. Meen: But the subsections (a) and (b) that originally appeared would be (i) and (j) in 4, if the hon. members agree, dealing with, and homing in on, the seemingly heavy-handed approach of a government agency or other body that had the capacity to expropriate, to wield a club over somebody by the process of negotiation with the eventual threat of expropriation, or by the actual process of expropriation. As I say, we had some misgivings about all of that.

So, if we put those in, we have looked after the acquisition. Then, if we go back to the new (a) and (b), in which we talk about (a) "where the designated land is disposed of by," or "by way of gift to an organization," we have caught it in both directions there. And when the designated land is disposed of by a municipality, I think that takes care of the other side of the municipal coin.

Mr. Good: Mr. Chairman, the definition of "municipality," if you go back to the definition, includes local boards, school boards, secondary school boards, municipality elementary school boards; but there is nothing here to cover a university.

The case in point is that the University of Guelph has been left a piece of land many miles from its original campus, and whether or not it will ever be used is questionable. Should they wish to dispose of this piece of land, it would be ridiculous to think that they would be subject to tax as a provincial tax-supported university. I think it is simply a matter of adding the word "university" to the word "municipality."

Mr. Worton: Mr. Chairman, the thing that concerns me is that the University of Guelph, in some cases, has had property contributed to them by donors. Then in some cases, they want to sell it, to exchange it for other property. The city of Guelph, like many municipalities, has been purchasing property for industrial purposes for 20 years now, and they want to be clarified on their position that when they buy a farm and put in the services and sell it at cost, they are going to be clear as far as this tax is concerned. It is just as simple as that. I understood from our conversation earlier that there was going to be consideration given to this.

Hon. Mr. Meen: Well, the first subsection (b) as I was proposing, provides for when the designated land is disposed of by a municipality. That would be in there.

Mr. Worton: That is fine. That looks good.

Hon. Mr. Meen: Yes, they would be clear on that.

Mrs. Campbell: And the university?

Hon. Mr. Meen: No, I am not prepared to discuss this. I think hon. members have to realize that there are various types of universities, and some are established—

Mr. R. F. Nixon: No, there are not. There are provincially assisted and others.

Hon. Mr. Meen: Some are established under grants enough that if they qualify as a truly charitable organization, they can register under the section in the federal Income Tax Act. They can apply for registration and be qualified, and if they apply and are registered, then they qualify as a charitable institution. That has been the approach I am making to bring in the major organizations to which this section should apply.

Mrs. Campbell: Mr. Chairman, could I try to clarify this? If one looks at the old section 4(a), we are dealing there with land which is taken under statutory authority. This is what we are dealing with there. Under that section I would assume that the universities with power to expropriate would be covered. Is that correct?

Hon. Mr. Meen: That would be my assessment, yes.

Mrs. Campbell: Because they have a statutory authority. Then what I don't understand is why we have to rely on this particular wording in section 4(a), "a 'registered Canadian charitable organization'," when it comes to sale. Why can we not use the same authority covered by "municipality" in the new subsection (b) and extend it to those

with the authority to expropriate? Incidentally, I don't see where we are including Ontario Hydro, for instance.

Mr. Good: It is in the old bill.

Hon. Mr. Meen: It is in subsection (b).

Mrs. Campbell: Yes, but on the sale by. So I would suggest that if we could look at it from the point of view of those institutions, boards, commissions or whatever that have power of expropriation, then surely they would be included as having been excluded under subsection (b) if one added to the municipalities those referred to in the old subsection (a) and (b). Would that not be feasible?

Hon. Mr. Meen: Mr. Chairman, I must confess to not following the argument entirely. I think we are able to have our cake and eat it, to use the expression, if we include the contents of the old subsections (a) and (b) and the new subsections (a) and (b). Under the old subsection (a), we have, "designated lands being taken under authority either by agreement or by any person under statutory authority." So Ontario Hydro is picked up there in its acquisitions.

Mrs. Campbell: That's right.

Hon. Mr. Meen: Then, "when the land is taken or disposed of [both, in other words] to Her Majesty in right of Ontario, a Crown agency within the meaning of the Crown Agency Act, a municipality, Ontario Hydro, Her Majesty in right of Canada . . ." and so on. So it seems to me that we have everything covered there.

Mrs. Campbell: That is correct.

Hon. Mr. Meen: Then when we take a look at the other side of it, "when the designated land is disposed of by, or by way of gift to [this is the new way] an organization that is, at the time of disposition, a 'registered Canadian charitable organization' within the meaning . . ." and so on.

Let me just dwell on that for a second. There are some universities—Oxford University, for example, would be a recognized university but it would be scarcely be one recognized as a Canadian charitable organization. And there are other private bodies that would probably qualify under our colleges and universities requirements, but who nevertheless, for whatever reason, have not sought to be qualified as a registered charitable Canadian organization. So we have limited this to those who do, in fact qualify under subsection (a). Then, under subsection (b), we have brought in municipalities. So it seems to me that we have everything covered by all four of those subsections.

Mr. Good: Coming, but not going.

Mrs. Campbell: Could I ask then, is Ontario Hydro a registered Canadian charitable organization?

Hon. Mr. Meen: Hardly.

Mrs. Campbell: Then how does the minister cover when Ontario Hydro goes to sell?

Mr. Good: It is not covered.

Mrs. Campbell: This is what I am trying to get at. I don't see why this reorganization—

Hon. Mr. Meen: In that case, Mr. Chairman, I think the Act does not apply to a Crown agency of this sort; and there would be no tax payable by the agency—

Mr. Shulman: Where does it say that?

Hon. Mr. Meen: Gosh, I don't know whether that is under the Interpretation Act or where it is, but in fact that is the law. The tax would not apply to the Crown in this instance. I think that is basic common law.

Mrs. Campbell: Mr. Chairman, just one more thing. I recognize that various universities have been instituted under different charters with different clauses and with different powers. But surely if they are public bodies with the power of expropriation, having been enabled to expropriate, I would suggest with the greatest respect, they ought to be able to dispose of the land without the tax.

Hon. Mr. Meen: I just said so.

Mrs. Campbell: Oh. Well, then, could we incorporate that in (b) to make it clear?

Hon. Mr. Meen: Mr. Chairman, it would be redundant.

Mrs. Campbell: They are not a charitable organization just because they can expropriate, are they?

Hon. Mr. Meen: No, no. There are lots of organizations with the capacity to expropriate that wouldn't be classed as charitable organizations.

Mrs. Campbell: That's right.

Hon. Mr. Meen: But it would be redundant, I am advised, simply because the tax

does not apply to the Crown. So it is not necessary to exempt a Crown agency.

Mrs. Campbell: Yes, but the university isn't the Crown. It has a special charter. The old (b) is (j).

Mr. V. M. Singer (Downsview): I'm sorry. I am 20 minutes late and I should have known better.

Mrs. Campbell: For the sake of my colleague who is here and whose help I am seeking, perhaps I can just go over this briefly. Under the new (b), which is confined precisely to disposition of land by a municipality, it seems to me that not all universities are registered Canadian charitable organizations. But, correct me if I'm wrong, I believe that all universities of which I am aware in this province have the power of expropriation under their different charters. I believe that this is so. I know it is for Toronto, but I'm not too familiar with others. But it does seem to me that they are still—

Hon. Mr. Meen: I won't make the obvious comment.

Mrs. Campbell: The University of Toronto is not, as I understand it, an emanation of the Crown.

Hon. Mr. Meen: Nobody ever suggested it was, I suppose.

Mrs. Campbell: Well then, this is where I'm coming back to it. I'm saying that if you have a body such as a university with the power to expropriate, would it not be logical and reasonable to say that under subsection (b) that expropriating body would have the same right of disposition as a municipality has, without having to look to the definition of a registered Canadian charitable organization? Have I made myself clear on this?

Hon. Mr. Meen: Yes. Except that I think we would want to include in our definition a lot of charitable Canadian organizations that didn't have the power to expropriate.

Mr. Good: Yes, which you have.

Mrs. Campbell: I'm not excluding them.

Hon. Mr. Meen: I don't think the hon. member is suggesting, Mr. Chairman, that we remove the reference to charitable Canadian organizations.

Mrs. Campbell: No. No.

Hon. Mr. Meen: She's suggesting perhaps that we extend the authority beyond that to all bodies that have the capacity to expropriate. I'd like to reflect on that, but if we're going to ruminate on all of these things we'll never finish up this bill. I think that there may well be some areas in which we could consider an extension.

Mr. Good: Redefine "municipality" and "university".

Hon. Mr. Meen: I have carefully limited the grant of this provision to such charitable organizations as are registered. You know, there are other kinds of charitable organizations which are recognized as such but not registered.

Mrs. Campbell: I'm not trying to change that, Mr. Chairman.

Hon. Mr. Meen: I would think that we could take a look at it and see if there's some merit in doing this, without opening the barn door.

Mr. R. F. Nixon: Or without standing down the subsection.

Hon. Mr. Meen: Yes, I'd rather not do that, too.

Mr. R. F. Nixon: I am sure you would rather not.

Mr. Singer: The hon. member makes a very good point.

Hon. Mr. Meen: If the hon. member concurs with this, I think we could take a look at it. But at the moment, I think I would suggest with respect that we leave that subsection alone, as I was proposing the amended new (a), and we'll see how that works over the next few months.

Mrs. Campbell: Oh no, Mr. Chairman. I'm sorry. I can't see that I could personally sit here and say this is one more thing we're going to sit around and think about for months. I would like to understand whatever the thinking was that would put the universities, whatever their various charters would be, into such a position as, in my opinion, is indicated in this statute. I am sorry, but I would personally ask that this be stood down unless we can have an answer, because I don't think our universities, which are public, tax-supported bodies, should be placed in this kind of a position.

Mr. R. F. Nixon: We agree.

Mr. Singer: Right. Good point.

Mr. Good: Amend the definition of municipality.

Mr. Gaunt: Amend the municipality to cover universities, and you have got it solved.

Hon. Mr. Meen: That is going a little far, though, on that definition. I know that sounds like an easy way out. If we recognize —just let me think out loud—that under the taking of lands, we get down to "Crown agency." If "Crown agency" includes a university, then we have got the protection of subsection 4(b), old 4(b), for acquisitions. Then on the dispositions—

Mrs. Campbell: Isn't it covered under the old 4(a) with respect to having statutory authority? That's the acquisition portion, but it's the old (a) that covers them, not the old (b), on acquisitions.

Hon. Mr. Meen: Well, if they have the capacity to expropriate, of course, they are under (a).

Mrs. Campbell: That's right.

Hon. Mr. Meen: And I don't know whether all universities have the capacity to expropriate. But if they aren't under (a), they are under 4(b) as a Crown agency.

Mrs. Campbell: I see, all right.

Hon. Mr. Meen: So we have picked them up one way or the other there. What I am wondering about is on disposition, and what I said earlier I repeat—that the Act does not bind the Crown to the payment of tax. So that you don't have to then, if the university is a Crown agency. Then the tax would not be exigible against a university on the sale, and you therefore don't include it specifically, because under the law it is included inferentially, if that is the word. So, I think we've got the university one way or the other, to the member for St. George, Mr. Chairman.

Mr. Good: You have got them coming, not going.

Hon. Mr. Meen: I regret this rather devious route of argument, but I think we've picked it up on both sides.

Mrs. Campbell: Well, could I have clarification? Is the minister saying that for acquisition, they are either under the old (a) as having the power to expropriate or under the old (b) as a Crown agency?

Hon. Mr. Meen: Subsection (b) as a Crown agency, yes.

Mrs. Campbell: Yes.

Mr. R. F. Nixon: Under the new (a) as a charitable institution.

Mrs. Campbell: Or under the new (a) as a charitable institution.

Hon. Mr. Meen: Right.

Mrs. Campbell: Well, I don't know when a university—I am sorry I have to plead ignorance of the law—is a Crown agency. It was not my understanding that they were Crown agencies. If that is the case and the minister can assure me that that is the case, then I am not so concerned. My understanding was that there is a very definite difference in their charters, and surely the University of Toronto would be horrified to find that it was suddenly a Crown agency. But I am not sure of that. But if it is not passed under a Crown agency or a charitable institution—oh, here, they are giving me a definition—ah good! Ah, thank you for the clarification. A university under the Crown Agency Act is a Crown agency. Now that is all universities? Manufacturing-company or agency owned, controlled or operated. I see. I am sorry, thank you.

Mr. R. F. Nixon: Avanti!

Hon. Mr. Meen: You are entirely welcome.

Mr. M. Cassidy (Ottawa Centre): Well, the member for St. George seems to be satisfied with what's happened. I am not very satisfied by the kind of suggestions that are being made here, because not only is the net of the department being significantly loosened by the amendments about registered charitable corporations, but it now appears that universities are, in fact, in under the wire rather than out of it. And I think that before you make exemptions, any exemptions in this Act, you want to look very seriously at what those exemptions are for, and the impact that they are going to have.

If you intended to stop speculation in land, then one presumes that you would have made almost every transaction subject to the speculative land tax. However, I would say that was not the intention of the ministry. The intention of the government was simply to find a few transactions narrowly defined as speculative and to tax those. And, of course, when you start to do that, then the pressure for exemptions comes along. First it's the charities and then it's the churches and then it's the Crown agencies and then it's the people who can expropriate. All of these

people get the right to an exemption either when they purchase or sell.

I'm not sure if it's in the old subsection (a) or the new subsection (a), but I have very serious questions to ask as to whether a registered Canadian charitable organization should have any exemption from the tax apart from an instance where it receives land or property as a gift. The minister is shrugging his shoulders. He simply doesn't understand.

Hon. Mr. Meen: I don't understand the member for Ottawa Centre.

Mr. Cassidy: I am suggesting that gifts to a charitable corporation could be exempted from the tax, but that if the charitable organization chooses to sell land which it has been given, or which it has acquired, then I don't see why it shouldn't be treated like any other participant in the land market. In my experience, if you want to take universities in particular, they often behave in a similar fashion to other large land holders.

The University of Ottawa, for example, has been buying property very steadily in its area of Ottawa East in advance of need and it has been developing that land for its own uses. It has been developing that land for housing, for other purposes, and has been acting in a manner—

Mr. R. F. Nixon: That is good planning.

Mr. Cassidy: —in a not dissimilar fashion from the Meridian Building Group Ltd. when its use of those buildings ended with it demolishing them.

If the minister travels around the University of Toronto campus he will find that exactly the same thing has taken place.

Vast tracts of housing that existed at the time the member for Scarborough West (Mr. Lewis) and myself were at that university—toward St. George St.—have now been razed for parking lots. This was done under ownership powers given to that particular university.

It is suggested— I don't know whether the minister has accepted it or not—that any expropriating agency should have exemption from this tax. Now, I don't agree, given the fact that Canadian Pacific Ltd., Consumers Gas Co., Union Gas Ltd. and TransCanada PipeLines Ltd. have powers to expropriate.

What on earth would we be doing in this Legislature giving the power of exemption from this tax to private corporations which happen to have the right to expropriate for certain reasons connected with public transportation?

It seems to me that if you look, let's say, at the recent experience of St. Michael's Hospital—I know the member for Lakeshore has been unhappy with me for this one—but there was the instance where the Municipality of Toronto sold to the hospital a tract of valuable land for hospital expansion —and I've forgotten what the price was, $2 million or $3 million, and this was done a couple of years ago—all of the evidence suggests that when a favourable offer came in from the private sector that the people controlling that hospital did their best to make sure that the notification to the city was buried in city bureaucracy. They did this so they could take advantage of the offer from the private sector, so the city would not be able to reconsider whether, if there wasn't going to be a hospital extension on that site, the land might be used for some other public or semi-public purpose.

Why should the hospital, as a registered charitable organization, as I'm sure it is, have been allowed to sell that land? It was a valuable tract of land—and the hospital made a profit of $2 million or $3 million over the course of two or three years, without tax, when any person in the same situation would have to pay a very substantial tax?

The minister may say that the land was sold for that particular charitable purpose. I mean, who is against hospitals and health? Nobody is against hospitals and health. And it is perfectly open to the Minister of Health (Mr. Miller) to draw from the consolidated revenue fund, funds that may, in fact, happen to be equal to the tax paid by that particular organization in order to further the purposes of St. Michael's Hospital. But I don't think the corporation that happens to be in a position to benefit from land speculation should be exempt from tax simply because it is a charitable organization.

I think this will lead to distortions in the property market rather similar, if you will, to distortions in the property market which occurred over the period of time when the one stable organization in western society was the church.

Over the period of the dark ages men lived and men died; their property waxed, their property waned. The one sure body that kept wealth together was the church and if wealth was deeded to the church or given to the church, it stayed in the church. Is this the kind of situation the minister really wishes to recreate? Is that the kind of situa-

tion he wishes to have? I don't think that's acceptable.

I suggest that the power of religious and charitable organizations not just to accept gifts but also to buy and sell property exempt from the tax ought to be removed from this particular Act. I suggest that the right, which apparently will prevail, of Crown agencies like the universities to be able not only to receive by gift but also to deal in land without being subject to the speculative land tax should also be removed. I would suggest, as we go through this section, that one by one the exemptions should be taken out of this particular Act until you are down to a very small list of exemptions.

The principal residence is about the only one that I can really see as being at all justifiable because the purpose of the bill, of this section in particular, should be to ensure that the land speculation we have been experiencing comes to a halt. You won't do that so long as you build in loophole after loophole, exemption after exemption, dodge after dodge. That's what the minister is doing with this particular section and I would recommend that he start plugging up the loopholes at the very beginning in clause (a) where it applies to charitable organizations.

Hon. Mr. Meen: I would suggest the member for Ottawa Centre might want to talk to some of his colleagues, such as the member for Lakeshore, and maybe talk to some of his farm friends, if he has any, and see what they have to say about some of the exemptions we have built in. I don't consider them to be loopholes and I think they are very appropriate.

Mr. Cassidy: You are building speculation, that's why.

Hon. Mr. Meen: No, we are recognizing that some of these things just aren't speculation. What we are trying to protect against is socking the fellow with the tax when, in fact, he isn't a speculator.

Mr. Chairman: Shall these various motions as proposed be carried?

Interjections by hon. members.

Mr. Chairman: All right, we will do that. Does the member for Lakeshore have further comment?

Mr. Lawlor: I would like to get around the Mortmain and Charitable Uses Act and not deal in the usual high-flown way that my colleague deals with these esoteric subjects but really get down to brass tacks.

Mr. R. F. Nixon: We have been waiting for you for a long time.

Mr. Shulman: He's going to simplify it for all of us.

Mr. R. F. Nixon: Clarify it.

Mr. Lawlor: On the new (a), which is, I think, what we are talking about—

Mr. Shulman: No, we are talking about—

Mr. Lawlor: Are we talking about the old (a)?

Mr. Chairman: We are dealing with the new (a) as proposed in the reprinted bill.

Mr. Shulman: I thought that was under the old (a)?

Mr. Lawlor: I thought the new (a) had become reconstituted as the new (i)—the old (a) as the new (i)—and the old (b) as the new (j). And the bluebird has become the bluejay. There are any number of possibilities in this statute; we will play the permutations.

Mr. Minister, on (a) you were referring to a registered Canadian charitable organization under section 110(8) (c) of the Canadian Income Tax Act. But then you go on—and this is a mere matter of semantics I am concerned with at the moment—is not a trust exempt from tax under part 1 of that Act, by paragraphs (f) or (h) of subsection 1 of section 149 of that Act? I don't understand what you are saying.

As I read the Canadian Act, it defines a registered Canadian charitable organization as follows, "Subclause 1. A charitable organization in Canada exempt from tax under this part by paragraph 149(1) (f)." You seem to be saying that it's a registered Canadian organization but you are going to hollow out or exempt or make an exclusion of the very thing they include as part of their definition. What you take out, they put in; or rather what they put in, you take out. I want that clarified.

The second point is in the same paragraph: "Or a corporation or trust resident in Canada exempt from tax under this part by paragraph 149(g) or (h) or . . ." and then we go on. But you have mentioned (f) and (g) as the reason for the fact that you left subsection (g). What has subsection (g) got to do with non-profit corporations of all kinds, with certain terms and conditions as

to their carrying on business, the nature of the debts incurred and a whole host of criteria?

Are you saying, in other words, that if charitable registered corporations under the terms of the Canadian income tax—that specific type of non-profit corporation—hold, sell or take land, it is subject to your speculative land tax? Is that the design and purpose of your legislation?

The minister nods his head, seemingly in agreement? Can I get that on the record?

Hon. Mr. Meen: Not very readily. But let me just say, Mr. Chairman, that the subsection reading at the end, as the member quoted it, "and is not a trust exempt from tax under part 1 of that Act by paragraph (f) or (h) of subsection 1 of section 149 of the Act," is indeed kind of complicated and difficult to understand. I wrestled with that one myself a good deal.

There's a difficulty that comes out of designating all charitable organizations. There are some that are set up on the basic principle that charity begins at home. There is one in British Columbia, the Woodward Foundation, I think it is, in which it would appear that the settlor of the so-called charitable trust was the father; he benefited the earnings out of the trust and it's a beneficence upon his children and family generally. That kind of trust would not qualify.

So "registered charitable Canadian organization" excludes charitable organizations that have not been registered—that's subsection (f) —and, in subsection (h), charitable trusts themselves to which I have just made reference.

Over the years, I'm advised, in the experience of the federal people dealing with the administration of the federal Estate Tax Act, there has been a good deal of abuse by charitable trusts in general. We felt that at this time we should not extend this exemption any further than what I might call a genuine charitable organization, one that has qualified under the requirements of subsection (f) and has, in fact, applied and been registered pursuant to the provisions of section 110(8)(c). Hence, the exception at the end of the paragraph.

Mr. Lawlor: Yes. Are you talking about certain foundations, foundations generally, because that was my major comment with respect to the inclusion of charitable organizations in this particular section. I think that there are a good many so-called and registered charitable foundations in this country, and the only thing that's true about them is that they are foundations. They are well founded and their foundation garments are well hidden, but the charitable aspects of their operation could very well be performed by a somewhat more charitable type of organization.

I'm not prepared to go into it tonight, but I will at some time in this Legislature, because in the past few years since I've been here, I've never heard an assessment or a real analysis of the role, function and purposes of foundations and the gratuities given out by your government, as well as the government up above, with respect to these quasi-pseudo-pretended charitable organizations.

They have become a blight upon the American landscape. The American Congress is seeking to attack them now, and they have proliferated across the border like all the miasma that goes on there and have become part of the scene in this country.

If you're thinking to benefit, and if you do benefit any of these organizations within the terms of this particular section, then to that extent I find the section and the exemption rendered thereby unpalatable. I take it that you're saying, in part at least, that this is precisely what you're trying to stop.

Hon. Mr. Meen: Oh, yes.

Mr. Lawlor: My only question then is to what extent do you staunch the haemorrhage? Are there not foundations under (f) and foundations under what are called charitable trusts under (h) which nevertheless remain within the ambit of your legislation? If (g) is the one that remains within the legislation —the non-profit organizations—I don't know how these foundations are designated or under what peculiar head they fall. It seems on reading the sections that a foundation might very well qualify for any of these sections. And, therefore, I suspect that your net is not going to catch the whales as they go through.

Hon. Mr. Meen: I don't think so, Mr. Chairman. I think maybe we are getting a fairly fine mesh in the net in limiting it to the registered Canadian charitable organizations. We might have got it a good deal wider and with a larger mesh, if we had been prepared to accept charitable organizations and charitable trusts. With that expressed exemption, I think we get rid of the ones which do not have in a general, broad sense a base for their beneficence that extends beyond an area of self-service.

Mr. Chairman: The member for High Park.

Mr. Shulman: Mr. Chairman, I want to go to a different aspect of these sections, to something which obviously the minister hasn't thought about. What bothers me about this bill in every section is that no one has thought ahead to what these sections mean. I want just to have the minister consider a hypothetical case, if he will, as to what will happen with this particular section of the Act.

Let us suppose that gremlins do not cause trouble and fairies dance and the bill works exactly as the minister dreams it will. Let us suppose the price of land and the price of housing stop going up and everything stays fine and things only continue to rise in proportion with the rest of the economy, in other words, with the inflation—I gather you will agree with me we do have inflation. Let's suppose the inflation continues at its present rate of increase, which is increasing at approximately two per cent per year. Just let's take a hypothetical case for a moment, that it is going up 13 per cent next year.

An hon. member: It is going up two per cent an hour.

Hon. Mr. Meen: You said two per cent a year.

Mr. Shulman: Did you say two per cent an hour? Let's suppose next year it is 13 per cent, the year after, 15, and the year after, 17.

Hon. Mr. Meen: Well, that is unacceptable, not after July 8.

Mr. Shulman: Not acceptable? It may not be acceptable to you, but that is the rate at which it is increasing. Let's say, just for the sake of argument, the land does not increase in value other than with inflation. At the end of six years a piece of property that was bought on April 9, 1974, for, say, $25,000, just for the sake of argument, let us suppose that it is then appraised at $125,000. The most extraordinary thing has taken place. A person will be better off financially not to sell it at all but to give it away to a charitable organization.

Let us suppose you are in a 60 per cent tax bracket and suppose you go and sell your property that you bought for $25,000 on April 9, 1974, for $125,000 some time in 1980. First of all, you are going to have to pay 50 per cent special land tax on the difference between $25,000 and $125,000, which means you are going to pay out $50,000 there. Then you are going to have to pay capital gains tax to the federal government. You are going to have to pay another $16,000. You will end up paying $66,000. You will end up—

Hon. Mr. Meen: You will have $34,000.

Mr. Shulman: —with $34,000. No, you will end up with more than that; you will end up with $59,000. Let's suppose that you are not completely nuts. I would rather give it away. I'll give it to a charitable organization. Let's say I give it to the Ontario Heritage Foundation. If I'm in the 60 per cent tax bracket, I end up with more cash than if I sold it. Perhaps this is what you want. You will want ultimately for everybody to give their property to the government.

Hon. A. Grossman (Provincial Secretary for Resources Development): That's not a bad idea.

Mr. Shulman: Maybe this is what you want, but what bothers me is that the implications of this are quite wide. Have you considered what this means? In effect, people wishing to buy private land are going to have to compete with the persons who are giving it away.

Hon. Mr. Meen: You could take it all and spend it.

Mr. Shulman: Pardon me?

Hon. Mr. Meen: You could spend it at the Hadassah bazaar. That would be a great way to use it too.

Mr. Shulman: That is all very well. This is a very thoughtful answer from the minister.

Mr. S. Lewis (Scarborough): It is rather more interesting than thoughtful, I would say. It is perhaps more revealing than it is thoughtful.

Mr. Shulman: Has anybody is your department taken the trouble to look ahead—I am referring now specifically to this section of the Act—to consider the implications? The implications are very obvious, that in a very few years it will be more profitable to give land away than it will be to sell it. Has the minister any comment?

Hon. Mr. Meen: I might observe the observation is interesting.

Mr. Shulman: It's all very well to say it's interesting. But you are the minister. You are responsible for this abomination which we are discussing tonight. You haven't considered it. Section after section, we come to

items that haven't been considered by the minister.

Hon. Mr Meen: Could I ask the hon. member, if he is suggesting that I remove the new provision for exemption of gifts to charities and exemption of charitable organizations from this Act?

Mr. Shulman: No I'm not. What I am saying is the section as it is drawn won't work because you haven't given any consideration, again, to the same thing I've come back on in section after section after section, and on the principle of the bill—that is inflation. And this is going to ruin your bill, it's going to ruin the land economy, it's going to distort the entire investing economy in the province, and you can't just ignore it.

I don't have an answer for you. I am not going to say you should take it out. I am saying that this section is going to so distort the land values in this province that it will be impossible for a private person to buy a home. It'll be impossible for a private person to buy a piece of land in the country, because it suddenly becomes far more profitable to give it to any charitable organization or give it to a university.

And, you know, this type of result is going to happen. There is no use kidding yourself. A person is going to do best for himself financially, and if it is better to give something away, he will. One of your members, a former minister, here in the House, has proven that already where it's to his advantage financially to give a piece of land away before you even started it. So you give it to the Ontario Heritage Foundation. We have gone through that. And once you have reached the 60 per cent tax bracket, and most people are in it today, because of inflation, this particular section is going to so distort the land situation in this province and the home situation in this province that the implications are beyond my capacity to understand. Perhaps the member for Downsview could help me on this.

Mr. Singer: I am sorry, I wasn't listening.

Mr. Shulman: Or any of the lawyers here. But certainly the fact remains that in a very short time—

Hon. Mr. Meen: Ask your friend from Lakeshore.

Mr. Shulman: That is not entirely his field. I'm sorry my friend from Riverdale (Mr. Renwick) isn't here. I should hope that it'd be in your field. I am surprised that no one on your side of the House has come to you and said, "Look, this is a problem." Here again the one thing you have ignored, the one ever-present factor in our economy which this bill completely ignores, is inflation. In a very short time, I would suspect by 1978, it no longer becomes economic to sell any property where this tax applies. Either it has to be held or given to a charitable institution. And the incredible thing is that by giving to a charitable institution, you end up with more tax in hand by giving it away than by selling it.

Mr. Cassidy: That's right.

Mr. Singer: The member is right.

Mr. Shulman: All very well, but in the long term, maybe it's great that the province should own all the land, and ultimately you will very quickly at this rate. Perhaps from our point of view from this party, I am not sure whether that's good or bad.

Hon. Mr. Grossman: That's what the member for Ottawa Centre wants.

Mr. Cassidy: Just around the cities, that's all.

Hon. Mr. Grossman: He is coming around.

Mr. Shulman: No, but what worries me is that the implication of this has not been planned for; no one in your department has apparently considered what this means.

Mr. Cassidy: He saw the bill an hour before it came in, that's all.

Mr. Shulman: Well, I am sorry that the Treasurer (Mr. White) never comes here to take the abuse he should be getting for his brainwave. Here we are with a ludicrous section of the Act; it's known to be ludicrous by everyone in the field, except apparently the minister and his advisers, and you are going to ram it through. I know you are going to ram it; you haven't listened to anything else we have said except silly little points here and there. But the major basic problems in this bill haven't been touched. If you don't withdraw this, the results are going to be upon you and us and everybody else's problems very quickly.

Again I say it to the minister. I tell him at every section, as we point out the flaws in it, that you are immortalizing yourself with this bill. It is a monument to lack of fact, and once again I give you the same plea I have given every other section—it can't be repaired. Stand it down and rethink it.

Hon. Mr. Meen: Forever.

Mr. Lawlor: Mr. Chairman, may I just say a word on the same thing?

It is a great shame that we in the opposition are so damn dense over here that we can't keep our blithering mouths shut. If we had an ounce of brains in the opposition we would not raise one single voice. We would sit in silence. We would let the legislation go through and—

Interjections by hon. members.

Mr. Lawlor: —we would let the repercussions be visited upon their heads. They will have alienated every farmer in the province as soon as it becomes clear. There is no question about that. The whole legal profession is completely turned off, as has been proven this afternoon. And, element after element, everybody who happens to own a house with the basement rented is going to be dead against them.

What are we doing here? Why are we telling them? We must be such honourable men, just dreadfully honourable. Standing here baring our souls, correcting this legislation, giving them the opportunity to alter the face of the earth, trying to rescue the minister from his own badinage and his purblindedness. It is dreadful.

Mr. Lewis: But it is impossible.

Mr. Lawlor: We really secretly believe it is impossible; we've even got the thought. But why should we retaliate? Why should we try to ameliorate your wretched legislation?

Hon. Mr. Grossman: The hon. member is trying to help us out?

Mr. Lawlor: I have practically reached the stage now of just shutting up and letting you just go to perdition on your own without providing even the skids.

Mr. Singer: Mr. Chairman, the remarks of the last two members make such good sense, and we've been trying to say it for the past four weeks. I am surprised that it really doesn't get through. I don't know if the minister heard the remark of my colleague from Sarnia (Mr. Bullbrook), whether he said it out loud or whether he just said it to me, but he has been back home where he is a busy lawyer—he was back home for about 36 hours; and he comes from a large legal firm who do a great amount of real estate—and he said, "Nobody in Sarnia is dealing in real estate at all. The whole thing has just died. Nobody knows whether they are coming or going; are they taxable or are they not taxable; can they possibly live with this; can they possibly not; if they put up a building, what's going to happen; if they don't put up a building, what's going to happen?"

The same is true in Toronto. The minister got carried away by a peculiar headline attributed to the head of the Toronto Real Estate Board that prices, he thought, had fallen off for a few days. But if he had followed it up through the next couple of days he would have seen that a gentleman, who is, I think well known to the member for Scarborough West and a member of a large real estate firm, said—

Mr. Lewis: Donald Kirkup.

Mr. Singer: —Kirkup, that's the one—the prices had shot up again. It is really amazing, the lack of thought, the lack of purpose, the lack of thrust, the lack of research that has gone into this bill. The minister is trying, painfully, manfully—however you want to describe it—to get something on the statute books because he has been given a task. Suddenly, here he is, the minister. He has been handed the job by the Treasurer, who absents himself and won't defend his great idea.

There it is. And we are trying painfully to put through the bill, clause by clause, and the more the members look at any one clause the less sense any one clause makes, and every additional amendment brings new problems. I don't know; where did the minister get his ideas? His taking out subsections (a) and (b) earlier in the debate and putting them back tonight just shows how ludicrous the whole thing is.

Mr. Shulman: They should call it the John White bill.

Mr. Singer: Your lack of getting any ruling or positive opinion insofar as the incidence of the tax goes again makes the whole thing look ludicrous. We are going to come to another section in a few minutes and I am going to read to the members a brief by a group called the Professional Home Rehabilitators Association that makes very good sense to me. But the minister will put these people out of business, and again, he will accelerate the costs of homes where people have come in and rehabilitated them. The minister is saying, "You can't rehabilitate unless you rehabilitate to the extent of 20 per cent, and if you are going to rehabilitate and it isn't 20 per cent we are going to charge you a tax.

Hon. Mr. Meen: No, let's come back to the subject.

Mr. Singer: All right, but this is the kind of lack of thinking and lack of sense that the minister has got in this statute. I don't know why we can't get it through, Mr. Chairman, to the minister that he should take this bill back and spend another week or two re-writing the whole thing ab initio and come in with the answers.

Mr. Shulman: Six months.

Mr. Singer: I couldn't agree more with the comments that were made just a moment ago by the member for Lakeshore. If we had any sense, we would sit down and keep quiet and let you suffer. I don't know why we don't let you do that.

Hon. Mr. Grossman: Because you haven't any sense.

Mr. Singer: Well, it may be we haven't any sense, because with the way the press has been reporting this it really doesn't make it worth our while from a political point of view.

Hon. Mr. Meen: You are absolutely right.

Mr. Singer: Except that some of us feel we have a responsibility when we come in here to see that a statute as important as this one could be makes a little sense both in pattern and in legislative custom and so on. Now, why must each section be fought so hotly and why must the minister be dragged kicking and screaming into some reasonable and logical change?

Hon. Mr. Meen: Good question.

An hon. member: They aren't all that bad.

Mr. Singer: I don't know, Mr. Chairman. I honestly don't understand what the minister is trying to achieve. For goodness' sake, take the damn bill back, gather together the best brains you have in the civil service, retain outside counsel—we won't even ask you how much you are paying them an hour—get some good chartered accountants, re-write the bill and make it workable.

Hon. Mr. Meen: I'll bet you will.

Mr. Singer: Then maybe you'll have something which will have an effect on the housing market.

Mr. D. M. Deacon (York Centre): Mr. Chairman, it is amazing to me that a bill brought forward to tax speculative trading profits, to discourage trading in land on a short-term basis, has resulted in such a complicated and completely irrational bit of legislation. Surely the minister, as suggested by my colleague, should take this back. He should recognize it's the short-term trading we want to avoid. Surely the minister should realize that by putting in clauses which would remove the liability for tax after a period of five to 10 years—certainly on a decreasing scale during that time—would achieve the end and would remove a lot of the pitfalls into which the minister is now falling because of his attempt to make this an everlasting piece of legislation. He then would have achieved what the Treasurer asked him to do; that is, bring in legislation which would discourage trading and speculating in land. That is what I feel would certainly work in the investment business and it certainly would work in this type of investment.

I urge the minister to reconsider the whole bill.

Mr. Chairman: We will place the motion. The member for—

Mr. Shulman: No. I made a certain point to the minister, I think. Does he not even intend to comment on it?

Hon. Mr. Meen: No, Mr. Chairman.

Mr. Shulman: Then may I ask him a simple question? Has he considered those implications? Can I get a yes or a no at least?

Hon. Mr. Meen: Mr. Chairman, that may be a possibility. If the member thinks one can avoid this by giving away his property to charity, and if that be the case, then so be it. We have added these sections with respect to charitable organizations for obvious reasons and I don't propose to change that. I don't think the member has any suggestions—in fact, I believe he indicated he didn't have any suggestions—as to how to get around it particularly.

Mr. Shulman: Yes, I did.

Hon. Mr. Meen: Except he's busy suggesting I withdraw the bill. That's about the only suggestion he's made and obviously I am not about to do that.

Mr. Shulman: Well, that was only as a token of friendship. My suggestion the other day—and we are going right back to the beginning since you have forgotten it apparently—was that you have made no provision at the beginning for inflation. If you had done that, each section would have followed along with some sense; as it is, each section for that very reason makes no sense.

I am perfectly willing to accept the minister's explanation which is that presumably this possibility has now been considered. For the minister's own sake, for the government's own sake, even for the Treasurer's own sake, don't you think perhaps some consideration should be given to what this will mean in a very few years? You can brush me aside, you have the votes to do it; you'll jam this through, but the implications in such a short period of time are so horrendous for the whole ownership of real estate in this province. Perhaps this will make my colleague from Ottawa East very happy—I suppose it will—but ultimately, very quickly, there is going to be no privately-held land.

Mr. Lewis: Ottawa Centre.

Mr. Shulman: Ottawa Centre, sorry. Surely, as a minister of a Conservative government, presumably dedicated to free enterprise—

Mr. Lewis: There'll be fewer principal residences.

Mr. Shulman: Yes, there'll be some principal residences less.

Mr. Lewis: Only those who live on Russell Hill Rd. can retain theirs.

Mr. Shulman: Not necessarily. Even people who live on Russell Hill Rd. are going to be in some serious trouble if they make the mistake of buying a retreat in the country and moving there. Some day Russell Hill Rd. will become a second residence and if someone who lives on Russell Hill Rd. makes the mistake of renting it out—

Hon. Mr. Meen: Then they can hold it for 10 years.

Mr. Shulman: Ten years and then give it to charity.

Mr. Lewis: Are you creating a shambles?

Mr. Shulman: I should be annoyed with the minister, except it's really one of the more comic things that has happened. There are a few people who are happy, mind you. Some of the lawyers are already beginning to lick their chops, you might say, with visions of the huge fortunes.

Hon. Mr. Grossman: Shame.

Mr. Shulman: They're trying to figure out what it means.

Mr. Singer: They're running around in circles.

Hon. Mr. Grossman: But you charge for it.

Mr. Shulman: A few lawyers—

Mr. Singer: Yes, running around in circles is a most expensive operation.

An hon. member: I wonder what chops they're licking.

Mr. Shulman: The lawyers who have dealt in real estate over a long period of time are becoming a little disturbed, because if everything ends up in the hands of charitable institutions they're not going to have anything to trade back and forth.

I can see this section going through, and I know we can't stop you. I know it isn't getting out to the public because no one is paying attention up there. But it is going to seep out over the next year or two, and as the implications of this specific section get out, you are going to rue the day you ever met the Treasurer.

Mr. Lawlor: It's a great bill! It's one of the best bills we have ever seen in this House.

Mr. Lewis: As I listened to the member for High Park over the last number of weeks—

Hon. Mr. Grossman: You are convinced.

Mr. Lewis: —my understanding is that there is nothing to redeem this bill. It is absolutely beyond redemption. Nothing can save it. Nothing can rescue it. That seems to be the unanimously held view on the opposition side of the House. Therefore, withdraw it.

Mr. Shulman: And by a number of your backbenchers too.

Mr. Lewis: Doesn't that now make sense to you? What is it about this obsession, this fixation of yours that you insist on pursuing a bill which will so conclusively do you in? We had the same kind of difficulty in our caucus that the Liberals clearly had in theirs, but we found it easier to oppose in principle. That aside, we had a discussion about clause-by-clause, and the general view of the caucus was that we oppose every blessed clause because every single one of them is either destructive or incomprehensible.

So, on what grounds does one support it? Then, as is normal in a political caucus, because we're all engaged in the crazy debates that impose themselves on this legislative club, people started asking, "What about amendments?" We came to the conclusion that no amendment could rescue the unintelligibility.

Mr. Lawlor: That's true.

Mr. Lewis: Then you made some amendments, and we were proven conclusively correct, because every single amendment you brought in screwed up this bill a little more. I'm using the vernacular because I'm afraid to use any Latin words that relate even incidentally to the bill. I'm relinquishing my high-faluting tones and I'm telling you, buddy, it won't work. Okay? It ain't going to wash.

I really think we're faced with an almost insuperable dilemma over here. We want to oppose every clause because none of the clauses makes sense. The amendments are of very little use. It would be easy just to say no and force them to vote after vote or, indeed, not to debate it. We walk into the chamber, and as soon as we walk through the door, the metamorphosis begins. You can can be outside chattering amiably with friends as human beings; walk into this place and you're legislators. The posturing begins. Take a look at me.

Hon. Mr. Meen: We've noticed that.

Mr. Lewis: I understand the process. I'm part of it, day in and day out. I live my blood life in this place. But I'm telling you that in this instance—

Hon. Mr. Grossman: You oppose the bill when you don't understand it.

Mrs. Campbell: I hope the provincial secretary understands it.

Mr. Lewis: —it's impossible to do otherwise, because what we know, and what hasn't yet impregnated itself upon your consciousness, is that this bill is doing terrible damage around Ontario. It's doing far more damage than anything within it can possibly retrieve.

You're not invoking a speculative land tax. You're drying up real estate transactions. You're not lowering the price of housing. You're escalating it. You're not gaining revenue for the Province of Ontario. You're becoming a laughingstock.

Mr. Singer: You're not even winning any friends. You're losing them.

Mr. Lewis: I'm not an entrepreneur, obviously, but I can tell you, from the calls I've had and the mail I've had, that the commercial and business community thinks you have lost your senses, that you can go for five or six weeks with this chaotic subterfuge, meaningless in itself but causing so much damage. I don't understand why you persist in it.

I echo the words of my colleague from Lakeshore. I echo the words of the member for Downsview. You could do yourself some assistance if you withdrew the bill for a week or two and attempted to make it salable. But I must say, on balance, that this single piece of legislation is the most incompetently drafted piece of legislation in the last decade. You can't mention another bill which has been as emasculated as this one in the process of going through. I've been here longer than you have, Mr. Minister.

I've been here an eternity, and there has not been a bill in this House in my eternity that has been eviscerated the way this one has been. Not one. And not a bill so poorly handled; not a bill in which the minister had to change so many clauses; not a bill that the minister had to retreat from so often; not a bill that the minister couldn't understand its contents. What's wrong with you? When you see that that's the position at this point in time, you withdraw the bill because you know that it's socially destructive. You're just not achieving your aims.

Mr. Shulman: You're ruining the real estate market.

Mr. Lewis: So we have our debate, and it would go on. That's why we're locked into this seemingly endless combat with you. Not because we want to be. Not even simply on the merits of the clauses themselves, but because the bill is hopeless in terms of your objectives.

I ask you a question on this clause, or on any other, for that matter: Can you give the Legislature of Ontario one example that has come to your attention of a significant block of land in this province being sold in order to avoid the impact of this speculative land tax?

As the minister responsible, can you give us—after more than five weeks of this bill—one example of a major land transaction in this province which has been completed in order to avoid this tax?

Mr. Chairman: Order, please.

Mr. Lewis: All right. To a charitable corporation, or from a charitable corporation, or any other? Right within the confines of this bill?

Mr. Chairman: Not that general—

Mr. Lewis: And I want an honest answer.

Mr. Singer: It may not be in on this section, but, my goodness, it's relevant.

Mr. Chairman: It's not relevant to second reading.

Mr. Lewis: It isn't relevant to second reading? It is as relevant to this section as any other.

Mr. J. E. Bullbrook (Sarnia): Worst bill since you've been in the Legislature.

Mr. Lewis: Give me one example under this—

Mr. Singer: The member for St. Andrew-St. Patrick (Mr. Grossman) has been in this Legislature longer than anybody.

Mr. Lewis: No. I want from the minister—

Mr. Bullbrook: The NDP has spoken more on this bill than anybody else. Don't you point at me.

Hon. Mr. Grossman: I wasn't even pointing at the member.

Mr. Bullbrook: Were you pointing at the member for Scarborough West?

Mr. Lewis: You might stop pointing.

Hon. Mr. Grossman: I didn't even know the member was here.

Mr. I. Deans (Wentworth): Don't you know pointing is rude?

Mr. Lewis: I don't point. You stop pointing. Gesticulate. Mr. Chairman—

Mr. Chairman: We'd better stick to amendments.

Mr. Lewis: I understand what you're dealing with, man, and I'm asking the minister a question on this clause—I'm giving you an opportunity—or on any other, I want you to tell the House now, 5½ weeks after the speculation land tax was introduced, of one land transaction anywhere in Ontario which has been completed in order to avoid this tax, which is precisely what the Treasurer said would happen.

That's why he would collect so little money. This tax would cause the immediate changing hands of land in order to avoid its imposition. You tell me of one transaction outside the exemptions and loop-holes you've provided which has been completed in order to avoid the tax! Name one that has taken place anywhere in the province—this clause or any other clause.

All right, you can't answer that question because there isn't one. If there was one you would be trumpeting it all over the province. I'll ask another question. In this clause or any other clause, give us one example of where houses are coming on the market more cheaply in the 5½ weeks since the Act was invoked in the House. Give me one example—any one.

Hon. Mr. Meen: I can't give the hon. member chapter and verse on this—

Mr. Lewis: I'm not asking for chapter and verse. I'm asking for one example.

Hon. Mr. Meen: —save to say the listings are enormous compared with last year at the same time. The rate of increase in listing is 2½ times—

Mr. Lewis: And I want one example where this Act has had effect on either a land transaction or has reduced the price of housing.

Mr. Shulman: Everything is at a standstill. The price hasn't come down.

Hon. Mr. Meen: That happens to be part of the problem. It's the opposition from over here that is slowing up this Act.

Mr. Shulman: What? We are responsible, are we?

Mr. Singer: Holding it up?

Hon. Mr. Meen: It has cast doubt on all these transactions. If we could get this bill through I would think that the business community would have a much better notion of just where it's going.

Mr. Singer: Nonsense. Is this garbage going to convince them?

Hon. Mr. Meen: In any event, Mr. Chairman, this whole debate is completely off the section.

Mr. Lewis: One of the reasons we can't get the bill through is that you can't decide from line to line what you mean.

Mr. Bullbrook: Or section by section.

Mr. Lewis: You've got an amendment for every blessed clause. The storm that is raining on your heads, sir, you deserve. This bill is no testament to anyone. You know you might have another go around. I can't appeal to you. I appeal to a more elegant and senior member of caucus, the Provincial Secretary for Resources Development. You have been in this cabinet for a long time. Why don't you sit down and have one more go around on this bill and decide whether or not it is worth it.

Hon. Mr. Grossman: We will as soon as you pass it. We will see if any amendments are left to carry.

Mr. Chairman: The member for High Park.

Mr. Shulman: I want to pursue another matter—

Mr. Bullbrook: Five sections have been stood down, five of them. Can you imagine that? It's stupid.

Mr. Singer: We've got 23 pages of amendments, amendments to the amendments, deletions, insertions—

Mr. Chairman: Order, please. We are dealing with certain amendments at this time.

Mr. Shulman: I want to come briefly back to the point I was making before, because I want it quite clearly on the record since I didn't complete it. It was brought to me by some real estate people that a piece of property was bought this year or last year for $25,000. By the time it appreciates to $125,000, if you sell it you will end up with $59,000 in cash. If you give it away, you end up with $75,000 in cash.

Mr. Bullbrook: Right. That is a beautiful example.

Mr. Shulman: Now that's the sort of nutty result that is going to come out of this particular section. Well, all right. The distortions that will come from that, the minister will find in due course. But let's leave that for a moment. I want to ask the minister about something that took place during the question period and it applies to this section I think. Perhaps the minister can advise me.

Mr. Bullbrook: We were going to get to that later, but this is great.

Mr. Shulman: Well, it's true.

Mr. Bullbrook: Sure, it's true, definitely.

Mr. Shulman: Ultimately, anybody who sells land is crazy. Give it away—you get more money that way. It's—what is it, Fancy World or Alice in Disneyland or—

Mr. Singer: Alice in Wonderland.

Mr. Shulman: Thank you. Well, the Wonderland in Alice.

When we were debating—and I am not digressing, Mr. Chairman—during the estimates the other night of the Minister of Government Services (Mr. Snow), the minister said the cost of land would continue to rise since this bill was brought in, and I asked the Minister of Housing (Mr. Handleman) about that and he said not to worry because in a few days he was going to make another announcement, presumably of some other law, which was going to bring the price of land down. I think we have a right to know what that announcement is, because obviously that will affect this monstrous bill.

If there is some secret announcement that you are holding until after this bill comes through, would the minister be kind enough to tell us what other brainwave you have that you are about to bring down, because that may very well affect this clause and many other clauses? What is the other announcement that is to come? Would the minister let us in on that? Well, you had better get an answer or we will never get off this section.

Hon. Mr. Meen: No further announcements from my ministry.

Mr. Chairman: It appears to me that the question really has very little to do with this, if anything.

Mr. Shulman: Well, it may very well have, Mr. Chairman, I beg your pardon. The minister's bedmate—pardon, seatmate—his colleague, says not to worry if this bill isn't working so far because there is another great announcement coming, and the minister won't tell us what it is.

Hon. Mr. Meen: Well, if he was purporting to speak for me, I don't know what he was speaking about.

Mr. Shulman: You don't know what he was speaking about?

Mr. Lewis: He was speaking for himself. He would not purport to speak of you or for you. There is a certain thing called guilt by association in this legislation.

Mr. Shulman: Mr. Chairman, I am not sure whether I should be pleased or annoyed. If, in fact, there is some other bill from another branch of this government and one minister doesn't know what the other minister is doing, this speaks a great deal for the problems that we are having and perhaps for the problems that the minister is having. I wonder if the minister would mind overnight consulting with his colleague and finding out what legislation he is bringing down that is going to affect the price of land, because the two may not mesh any better than this one meshes with reality.

Mr. Chairman: Those in favour of Mr. Meen's motion as moved this afternoon that section 4 be amended by adding the new (a) and the new (b)?

All those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

Shall we stack this?

Mr. Bullbrook: No way. No stacking.

The committee divided on Mr. Meen's amendment which was approved on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 38, the "nays" 21.

Mr. Chairman: I declare the motion carried.

Hon. Mr. Meen had also moved that the old sections (a) and (b) should be renamed (i) and (j).

Mr. Deans: No, Mr. Chairman, I refuse. It is now after 10:30 and there will be no more votes tonight.

Mr. R. D. Kennedy (Peel South): Put the question, Mr. Chairman.

Mr. Chairman: Well, we can place the question very quickly.

Order, please.

Mr. Lewis: No. We will challenge your ruling.

Mr. Deans: There will be no more votes tonight.

Mr. Lewis: Well, your leader, or more accurately, your puppet is in Peterborough. Nobody did a job on me today that the Minister of Energy did on his leader.

Hon. Mr. Grossman: Look what the member for Lakeshore did.

Hon. W. D. McKeough (Minister of Energy): Stand up together again.

Hon. Mr. Winkler moves the committee rise and report.

Mr. Chairman: Order, please.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report progress and asks for leave to sit again.

Report agreed to.

Mr. S. Lewis (Scarborough West): That vote took one hour and 20 minutes to call. Thank God there wasn't any overtime.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): The hockey game isn't over yet. Mr. Speaker, before I move the adjournment of the House, I would like to say that tomorrow morning, as announced, we will proceed with the consideration of the estimates of Government Services. On Tuesday next we will proceed with the consideration of Bill 25 and Bills 65, 51—

Mr. V. M. Singer (Downsview): Forget it. Bill 25 will be enough.

Interjections by hon. members.

Hon. Mr. Winkler: All last year I heard about the inconsistency of announcing business in advance. Would you mind if I let you know?

Mr. I. Deans (Wentworth): Tell me, I am listening.

Hon. Mr. Winkler: We will have Bills 65, 51, 52, 9, 44, 35, 37 and 39. If that is not enough, I shall announce some more later on.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:55 o'clock, p.m.

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No. 53



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Speaker: Honourable Allan Edward Reuter
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LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, MAY 17, 1974

The House met at 10 o'clock, a.m.

Prayers.

Hon. T. L. Wells (Minister of Education): Mr. Speaker, I would like to draw to your attention the fact that we have in the House today, in your gallery, the Minister of Education for the Province of Quebec, Hon. Francois Cloutier, who has been visiting this city yesterday and today. He comes here, sir, not only as the Minister of Education for our great neighbour province but also in the role as chairman of the Council of Ministers of Education of Canada, a role which he is filling very well and very admirably.

I should also draw to the attention of the House that as well as his responsibilities for all education in the Province of Quebec, Mr. Cloutier is also responsible for the development of a language policy for that province. I am sure we will be hearing much about that in the next few weeks.

I would like to say, sir, through my association with Mr. Cloutier in the Council of Ministers of Education, we have enjoyed an excellent relationship; one that has existed for many years between this province and the Province of Quebec. I am sure the members of the House would like to welcome him here to our House today.

Mr. M. C. Germa (Sudbury): Mr. Speaker, it gives me great pleasure to draw to your attention the presence of 30 students from Nickel District Secondary School in Sudbury under the direction of Mr. Darroah. I hope the House will give them a warm reception.

Mr. Speaker: Statements by the ministry.

Oral questions.

The hon. Leader of the Opposition.

FRENCH-LANGUAGE INSTRUCTION

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, this might be a convenient morning to ask the Minister of Education for a progress report on our committee on French education, which I believe was appointed more than a year ago. Does he expect some recommendations to come forward which will improve the teaching of French language and literature in this province which, as the minister himself has agreed, is something less than it should be?

Hon. Mr. Wells: Yes, Mr. Speaker, I would be very pleased to answer my friend's question. The Gillin commission, which is what my friend is referring to, will be reporting towards the end of June. Its report, together with the research studies on the language programmes that are being conducted in the national capital area by the Ottawa and Carleton public and separate boards, I think, will chart a new course for the teaching of French to Anglophones in this province. As soon as these two pieces of information are received, we will be announcing further plans in this regard.

Mr. R. F. Nixon: A supplementary: Has there been any interim report or communication between the commission and the ministry that would lead the minister to make plans for the inauguration of a much improved programme of French-language instruction at the very earliest grades in our school system, a programme that would not be spotted in just a few communities across the province but would be available in all communities?

Hon. Mr. Wells: Of course, Mr. Speaker, there is co-ordination between the people in our ministry who are working on these programmes and the members of that committee. We don't know what their ultimate report will be, but in the interval things are not standing still.

I think my friend will recall I have indicated my personal desire on several occasions to see as many school jurisdictions in this province as possible establish immersion kindergarten programmes for Anglophones who wish to become truly bilingual. In our grant regulations, which we issued just a few months ago, there was also a new way of computing the grants, a further visibility of the French-language grants and, indeed,

more money for a lot of boards in this particular area.

Mr. R. F. Nixon: A final supplementary as far as I'm concerned, Mr. Speaker: Can the minister assure us that the federal funds for provincial use that are designated specifically for French-language instruction are directly applied for that purpose and not submerged in the general grant system, as appears to be the case in some communities?

Hon. Mr. Wells: Yes, I can assure my friend of that, Mr. Speaker. The new way of computing the French-language grants this year makes that even more assured. I can also assure my friend that this province spends much more than the federal grants for bilingual education.

Perhaps, with his vast contacts in Ottawa, he might lend support to my request that the Secretary of State continue for another year the money he has been giving us for the programmes in the Ottawa area. As he knows, they've been giving $2 million a year for these special programmes in the four boards in the Ottawa area. We've written and requested an extension of that. I'm hoping that my friend will see his way clear to extending that programme for another year in that area.

Mr. R. F. Nixon: The minister thinks that I can get it and he can't?

Hon. Mr. Wells: I think that perhaps the member could lend some support in my appeal to his friends in Ottawa. It might help.

Mr. R. F. Nixon: In fact, I've been ahead of the minister in proposing a new French education setup.

Mr. F. Drea (Scarborough West): The member has never been ahead.

Mr. R. F. Nixon: Oh listen, the member won his battle yesterday when the denturists got it.

Mr. Drea: I what? The member is wrong again.

LAND PURCHASES IN HALDIMAND-NORFOLK

Mr. R. F. Nixon: Mr. Speaker, I would like to ask the Treasurer why he did not make his announcement to the House yesterday, as he said he would, on the proposal for a new town in the Haldimand-Norfolk area?

Hon. J. White (Treasurer and Minister of Intergovernmental Affairs): I didn't say I would. I said I hoped to. There's a difference. The reason I didn't is because I wasn't able to—and I'm not able to deal with the subject in this House today.

Mr. I. Deans (Wentworth): What does that mean?

Mr. R. F. Nixon: He can but he is not able to.

Mr. J. E. Stokes (Thunder Bay): He says he would if he could but he can't.

Mr. R. F. Nixon: I would like to ask the Treasurer as a supplementary, although he has said he is not prepared to deal with it today, if the delay is simply to apply some pressure to the consortium that holds the land to improve its price. Is the minister just attempting to reduce the price, which in my view would be an excellent thing to do? What is the holdup on this statement?

Hon. Mr. White: Well, sir, I am not able to comment on this matter today.

Mr. R. F. Nixon: When would the Treasurer hope to comment on it?

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon: Supplementary.

Mr. S. Lewis (Scarborough West): What does the Treasurer's cherubic giggling mean?

Mr. Speaker: Is that a supplementary?

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): It is the same as that cynical remark.

Hon. Mr. White: Have patience.

KRAUSS-MAFFEI SYSTEM

Mr. R. F. Nixon: In the absence of the Minister of Transportation and Communications (Mr. Rhodes), I wonder if I could put a question to the policy secretary? The Provincial Secretary for Resources Development directs the policy in that ministry, doesn't he?

Hon. A. Grossman (Provincial Secretary for Resources Development): I just direct the traffic.

Mr. R. F. Nixon: He directs the traffic.

Mr. Stokes: He thinks about it.

Mr. J. R. Breithaupt (Kitchener): Is it firm policy?

Mr. R. F. Nixon: Can the minister confirm that the Ministry of Transportation and Communications was advised recently by technical staff that the completion date for the CNE transit experiment will have to be delayed by a full year?

Hon. Mr. Grossman: I can't confirm that, Mr. Speaker, and I don't think the question is so urgent that it can't wait until Tuesday when the minister is here.

Mr. R. F. Nixon: Is the provincial secretary prepared to deny it?

Hon. Mr. Grossman: No.

Mr. R. F. Nixon: Well, we'll follow up with it on the minister's return.

UNION GAS

Mr. R. F. Nixon: I'd like to ask the Minister of Labour if he can give a report to the House on the circumstances involving the Union Gas strike?

Hon. F. Guindon (Minister of Labour): Yes, Mr. Speaker. As you will recall, last Friday I told the House that I would call the parties in for a meeting last Monday. However, bebecause of a union council meeting the first meeting started on Tuesday. The parties met on Tuesday, Wednesday and yesterday. I still haven't received a report whether there has been any progress made in the talks so far.

Mr. R. F. Nixon: Supplementary: Does the minister intend to take part himself if there is no progress reported by his officials?

Hon. Mr. Guindon: Mr. Speaker, I am expecting a report today from my senior staff and it depends on what's going to happen. But the members know by experience that the minister doesn't shirk his responsibility.

THISTLETOWN REGIONAL CENTRE

Mr. R. F. Nixon: I'd like to ask the Minister of Community and Social Services does his ministry now have the responsibility for the Thistletown regional centre or is that still with the Health ministry?

Mr. Lewis: Health.

Mr. R. F. Nixon: I guess his ministry doesn't have it.

Mr. Lewis: It is still Health.

Hon. R. Brunelle (Minister of Community and Social Services): I think it's still Health, Mr. Speaker.

Mr. R. F. Nixon: Supplementary: Is there some thought that there will be a transference of responsibility to the Ministry of Community and Social Services along the lines brought forward by the bill a few weeks ago?

Hon. Mr. Brunelle: Yes.

Mr. R. F. Nixon: The minister is nodding in this connection. Is he aware that there has been a substantial budget reduction at the Thistletown regional centre, amounting to something over $300,000, which may mean a substantial reduction in staff and facilities?

Hon. Mr. Brunelle: Mr. Speaker, I was not aware of the reduction. I am surprised to hear this, because with the transfer of many of the programmes under mental retardation from Health to our ministry it is our intention to improve, and to expand some of the services. I'd be glad to look into that, Mr. Speaker, because I am not aware of this reduction.

Mr. M. Shulman (High Park): Supplementary: If the minister is going to look into this, will he also look into the long waiting list and why it takes so long for parents to get children in there?

Mr. Lewis: They have no place for them.

Hon. Mr. Brunelle: I'd be glad to look into that.

Mr. Lewis: Mr. Speaker, I have a supplementary of the minister. Is it in fact true that there is in the works a quite massive shift within government organization of all matters dealing with children, children's mental health centres, children's institutions, end even the training schools, into his ministry, to centralize all of these functions in order to take advantage of the moneys that might then be available under the Canada Assistance Plan, as has now been taken advantage of by moving mental retardation to his ministry?

Hon. Mr. Brunelle: Mr. Speaker, when I introduced the bill, the Developmental Services Act, I mentioned that about half of those who are in institutions, both adults and the children, could be rehabilitated within their own communities. I said with the adults we would take advantage of assistance under the Canada Assistance Plan and that, as far as the children were concerned, this matter

would be fully discussed with the parents and the local associations for the mentally retarded. No decision on that has been made.

Regardless of the cost-sharing, we will be improving our services to the children, we will be building more developmental daycare centres, and group residences for the children and we will be providing assistance in supportive services for the parents.

Mr. Lewis: I am sorry, just a quick supplementary. I am not making it clear apparently. I am not talking about mental retardation. I am talking about the whole field of children's health, of which Thistletown is a part. Is it intended that this will also be transferred to the Ministry of Community and Social Services in order to take advantage of Canada Assistance Plan money? Does that not raise enormous qualms in the minds of your ministry since it clearly isn't competent to handle the whole field?

Hon. Mr. Brunelle: Mr. Speaker, I am not familiar with Thistletown, I'll be very frank. All I'm familiar with is the transfer of the mental retardation services from Health to our ministry.

Mr. Speaker: The hon. Leader of the Opposition? The hon. member for Scarborough West.

PETROSAR LTD.

Mr. Lewis: A question if I may of the Provincial Secretary for Resources Development: Has the government of Ontario directly contacted the government of Alberta to check the position on the Petrosar development in and around Sarnia, which Premier Lougheed has now indicated he will scuttle, if he can, by not providing the crude for it when the development is built?

Hon. Mr. Grossman: Mr. Speaker, that question should be directed to the Minister of Energy (Mr. McKeough)—

Mr. Lewis: Really?

Hon. Mr. Grossman: —who has this matter in hand. Yes, really.

Mr. Breithaupt: What is the minister being paid for?

Mr. Lewis: The minister means it is not a policy matter to deal directly on a several billion dollar project in southwestern Ontario?

Mr. Stokes: Surely the minister is going to discuss this, even though he didn't discuss the pipeline with his policy secretariat.

Mr. Lewis: Let me ask the minister, will he undertake to raise it, since Alberta now unilaterally has announced that its own petrochemical developments in Alberta will take total precedence and that it does not see any obligation to supply oil to Ontario?

Hon. Mr. Grossman: Mr. Speaker, perhaps this is just as good a time as any to clarify the position of the provincial secretaries in respect to policy.

Mr. Breithaupt: Confession is good for the soul.

Hon. Mr. Grossman: Obviously, if the provincial secretary is going to deal with policy matters as they relate to each one of the ministries in that field—in my case it would be seven ministries—and have to deal with policy in respect of all of the programmes within each one of those ministries, of course, I am sure the hon. members opposite will appreciate, that is an impossible task.

The policy direction and the policy co-ordination of the provincial secretaries is internal as between the ministries, and many of the things which are discussed here in the House have been discussed of course at the cabinet committee on resources development.

Mr. Lewis: It is a co-ordinating role.

Hon. Mr. Grossman: The particular matter which the hon. member raised should probably be answered by the Minister of Energy. Those matters, if, as and when we discuss the matter—and if indeed we have discussed the matter or are going to discuss the matter —the policy as it eventually evolves will be answered for by the respective minister.

SILICOSIS, CANCER THREAT TO URANIUM MINERS

Mr. Lewis: A further question, Mr. Speaker, if I may to the same provincial secretary—a question which involves co-ordination of Labour, Natural Resources and Energy and, therefore, is perhaps in his field: Now that Rio Algom has announced its intention for a massive expansion of uranium production to eight million pounds of uranium oxide by the late 1970s, is the minister prepared to make a public statement about the safety features for the miners who will be employed in Rio Algom, in order to do something about the accelerating rate of discovered silicosis and cancer in the community? Can we have some commitment from the minister and an explicit definition of what that commitment will mean, before the expansion takes place?

Hon. Mr. Grossman: Mr. Speaker, the hon. member prefaced his question by the implication that since this perhaps had to do with policy overriding a number of ministries—

Mr. Lewis: Yes.

Hon. Mr. Grossman: —perhaps I would be in a position to answer it. I didn't say, in discussing the previous question, that the secretariat was not involved. I merely advised the hon. member that a particular minister would answer for it. In this particular case, there is an overriding concern with a number of ministries, it is under consideration, and if, as and when the government is prepared to make a statement he will hear it from the appropriate minister, whether it be myself or whether it is decided that another minister in the field will answer. At this particular time, all I can tell the hon. member is that it is under consideration.

Mr. R. F. Nixon: A supplementary: Since the minister's answer indicates some structure to his role, what was the purpose of the meeting his policy group held yesterday with John Robarts?

Mr. Lewis: Presumably Algonquin Park.

Hon. Mr. Grossman: Quite frankly, I don't want to set a precedent by making the House feel that we are going to follow a policy of advising publicly what goes on at a cabinet committee. The hon. members will appreciate that it is a cabinet committee and therefore we are, generally speaking, bound by the same rules as cabinet.

Mr. Breithaupt: Answer the question.

Hon. Mr. Grossman: Therefore, I am going to answer this question specifically, but I don't want it to be taken as a precedent that we are in a position to advise publicly what has taken place at a committee of the cabinet.

However, in view of the fact that it was practically a public meeting because the representative of the London Free Press was there and it was, by and large, a deputation which is known publicly in London and here as having taken place, they were here to discuss the possible involvement of the province in the Middlesex courthouse programme for rehabilitating a very large area of London. As I say it has some very imaginative implications and they wanted some support from the provincial government.

Mr. R. F. Nixon: A supplementary: Since it is a courthouse, what has that got to do with the minister?

Hon. Mr. Grossman: It is not really just a courthouse. It's a centre in which the courthouse is involved, etc.

Mr. R. F. Nixon: So that's what he does; he has meetings with John Robarts.

Hon. Mr. Grossman: He led a deputation of very distinguished citizens, including even the few Liberals they could find; some very distinguished Liberals from that area.

Mr. R. F. Nixon: There are some very distinguished Liberals.

Hon. Mr. Grossman: There are some; they are hard to find. In this case they did find a couple.

Hon. W. A. Stewart (Minister of Agriculture and Food): There will be some from now until July 8, but after that they will just disappear.

Mr. Breithaupt: He has always been very kind to us.

Hon. Mr. Grossman: I must say Mr. Robarts made a very good presentation.

Mr. R. F. Nixon: Might we assume the minister said "Yes, John, we are prepared to do whatever you say"?

Hon. Mr. Grossman: We said nothing of the kind, sir. We said we would give it our very best consideration.

Mr. R. F. Nixon: He would understand that.

Mr. Speaker: The member for Scarborough West.

PRICE INCREASES BY FALCONBRIDGE

Mr. Lewis: Mr. Speaker, I have a question of the provincial Treasurer. Now that Falconbridge has announced it will increase its prices by some 14 per cent across the board, and since the most recent profit jump, 1973 over 1972, for Falconbridge was 770 per cent, might he perhaps call that company in, as he was not prepared to do with Stelco, and ask it to justify this price increase in view of the consequences for the economy as a whole in an inflationary period?

Hon. Mr. White: No, I am not prepared to do that. This large Canadian firm is selling in the world market; whether or not it can

make that price stick only time will tell. To the best of my knowledge the other producers have not followed suit. If it should happen that they do not follow suit, my expectation is that at some point Falconbridge will have to retreat from that new price level.

Mr. Stokes: Is the Treasurer saying that if the others follow through it will be okay?

Hon. Mr. White: It is an international type of situation.

Mr. Deans: A supplementary: Can the Treasurer tell us how much or what portion of the price increase can be attributed to the Premier's (Mr. Davis's) blundering in regard to the price policies for oil?

Hon. Mr. White: Sir, this is the kind of thing which is obviously unparliamentary and I think calls for an apology, personally.

Mr. Deans: What is he talking about? Explain his blundering.

Mr. Lewis: Only the modesty of the word "blunder" was unparliamentary; it could be called other things. May I ask the Treasurer if he is going to allow all of these price increases—gasoline, Stelco, Falconbridge—and if it's going to be the policy of the government never to intervene to protect the consumers of Ontario? Is that the position he is taking?

An hon. member: That's right.

Hon. Mr. White: I hope that when Mr. Stanfield gets in that there will be a 90-day freeze. When there is that 90-day freeze the federal government can sort out appropriate long-term policies.

Mr. M. Cassidy (Ottawa Centre): If he gets the power he will use it.

Mr. Lewis: The Treasurer has no answers himself.

Mr. Stokes: Is he waiting for him to bail him out?

Mr. Deans: I hope he is better at it when he negotiates.

Hon. Mr. White: This did work following Aug. 16, 1972. It did assist in deterring price increases in the United States for a considerable length of time.

Mr. Cassidy: Look at them now.

Hon. Mr. White: I think the phases which they introduced subsequently came along too fast.

Mr. Lewis: The Treasurer is arguing for price and wage controls now.

Hon. Mr. White: Look at them—they are not doing too badly even today.

Mr. Lewis: What about profit control?

Hon. Mr. White: Their numbers are a lot better than ours are.

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. White: If the members think a province can get into the price control business they have another think coming. It would be no more effective than the city of Toronto applying a price control on butter, let us say, and having no butter to sell.

Mr. R. F. Nixon: A supplementary: Since the minister feels that his position as Treasurer is so ineffectual in assisting the consumers and the economy of this province, why doesn't he resign his seat and run in the London East federal constituency, which is surely his responsibility, since he's got such a commitment to federal politics?

Hon. Mr. White: I don't think it is ineffectual at all.

An hon. member: Come on now.

Mr. Lewis: He will lose if he runs.

Hon. Mr. White: We are taking in $336 million more than we are spending this year, in contrast to the federal government which is taking in $2.3 billion less than it is spending.

Mr. R. F. Nixon: Compare the deficits.

Hon. Mr. White: Even so, sir—

Mr. Lewis: This is not the federal House, this is provincial.

Hon. Mr. White: Even so, sir, we are transferring tens of millions of dollars to the less prosperous classes in society. We have doubled the property credit; we've introduced GAINS. We've done several things for small Canadian businesses.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Lewis: The government has done nothing for the consumers, and it is going to go down because of it.

Hon. Mr. White: I'm going to send this copy of our budget over to the Leader of the Opposition. I know he hasn't read the document or, if he has read it, I know he hasn't understood it because he is going all over this province misinforming the citizens about the state of our finances.

Interjections by hon. members.

Mr. Speaker: Order, please.

Hon. Mr. White: This is the best anti-inflationary budget in this country. John Turner's is the worst.

Interjections by hon. members.

Mr. Speaker: Order, please; order!

Mr. Lewis: Does the Treasurer know that Imperial Oil's chairmanship is vacant? It's vacant.

Mr. Speaker: Order.

Mr. Lewis: It's vacant. Why doesn't he apply for the chairmanship of Imperial Oil?

Mr. Speaker: Order, please.

Mr. Lewis: This government has no policies of its own.

Mr. Speaker: The hon. member for Wentworth has the floor.

Interjections by hon. members.

Mr. Deans: Doesn't the Treasurer recognize there is a vast difference between trying to control the price of butter and trying to control the price of basic steel? The price of basic steel obviously has a much greater ripple effect on the price of all commodities across the province, as well as across the Dominion of Canada; and since that industry is primarily located in Ontario this government has a responsibility to do something about it.

Mr. Speaker: Is this a question or a statement?

Mr. R. F. Nixon: Doesn't the minister think?

Hon. Mr. White: Yes.

Mr. Speaker: The hon. member for Scarborough West.

GASOLINE PRICES

Mr. Lewis: Another question of the provincial Treasurer: In view of the Premier of Ontario's professed concern last night at the degree to which gasoline prices have risen, obviously beyond his expectations, has he instructed the Treasurer to indicate to the House that Ontario will do something in this area to protect the consumer, now?

Hon. Mr. White: Questions on that subject should be directed to the Minister of Energy.

Mr. Lewis: By way of supplementary—

Mr. Deans: The Treasurer checked to make sure the Minister of Energy wasn't here before he said that.

Mr. Cassidy: This minister is sloughing off more responsibilities every week.

Mr. Lewis: Does the Treasurer mean economic and fiscal policy is now out of his realm entirely? Is that what he is saying?

Hon. Mr. White: No; I mean all energy matters are the responsibility, funnily enough, of the Minister of Energy.

Mr. Lewis: By way of supplementary: Has it not occurred to the Treasurer that the fiscal policy involved in cushioning the blow of the increased gasoline prices is squarely within his responsibility?

Mr. Cassidy: That's right.

Mr. Lewis: Will he exercise some responsibility to protect the consumers of Ontario?

Mr. Cassidy: Right.

Hon. Mr. White: Well sir, we have doubled the property credit from $90 to $180.

Mr. Lewis: Before the Treasurer knew what the government was negotiating.

Hon. Mr. White: That $90 increase contrasts with the average increase per household for heating costs of $70.

Mr. Lewis: What about gasoline?

Hon. Mr. White: We have at the same time made a number of other changes. Not only in the credit system, we have introduced new programmes; GAINS being the most noteworthy.

We have introduced a series of measures for small Canadian businesses. If there are further changes to be suggested or recommended, this may be done during the budget debate.

Mr. Speaker: The hon. member for Scarborough West.

HOUSING PROGRAMMES

Mr. Lewis: One last question of the Treasurer: Has he realized that the housing starts projected on the basis of production in April so far, will reach 100,100 units in 1974 according to CMHC figures, and that last year's production was 110,536 units, so that the government is already running 10 per cent behind last year? How is his economic policy going to alter that?

Hon. Mr. White: Well sir, this should go to the Minister of Housing (Mr. Handleman). I'll make a general comment, however.

Mr. Lewis: Surely this is an economic policy matter?

Hon. Mr. White: The federal government, with the support of the member's daddy, has made it almost impossible for the average working man to get a mortgage anywhere in this country. Now that's what they have done.

Mr. Cassidy: The Treasurer and his colleague have been running the housing policy of the province.

Mr. R. F. Nixon: Totally irrelevant.

Mr. Lewis: That's personal. I won't respond to that.

Mr. Speaker: Does the member for Scarborough West have further questions?

The hon. Minister of Colleges and Universities has the answer to a question asked previously.

NORTHERN ONTARIO MEDICAL STUDENTS

Hon. J. A. C. Auld (Minister of Colleges and Universities): Mr. Speaker, on Tuesday the hon. member for Thunder Bay asked me about a preference for students from northern Ontario in medical schools. I have checked and I am informed, as I mentioned, it's primarily academic standing which is considered by the university. In the case of University of Toronto, they give some preference to students who have completed their high school studies in small Ontario communities, and this does in fact favour northern Ontario to a degree. McMaster also gives some added weight to applications from candidates in northwestern Ontario. At the University of Ottawa about five per cent of the applications in 1973-1974 were from northern Ontario and this year, of the applications accepted 10 students or 12 per cent were from northern Ontario.

Mr. P. G. Givens (York-Forest Hill): Could the minister please explain to me why there is this chronic dearth, this chronic lack of educational facilities, particularly as it pertains to medical facilities? Over many years now one has had calls from parents of students who make applications to universities all over Ontario and cannot be admitted. Yet on the other hand we keep on hearing of doctors who are admitted to the profession, who come from universities with standards much lower than those prescribed by universities in Ontario. This matter has been going on for many years and I have never been able to get an explanation as to why this dearth persists.

Mr. Speaker: I think the member is now making a speech rather than asking a question.

Mr. Givens: Would the minister please explain this?

Hon. Mr. Auld: Mr. Speaker, I will be delighted to get the figures—I haven't them in front of me—of the increase in the number of places in the medical schools in the province over the last few years. Also, as the member is probably aware, there are incentives in the plans which are involved in the health resources programme, which is a pretty major one and which has been under way for some time. I will give the member that detail.

Mr. W. Ferrier (Cochrane South): A supplementary, Mr. Speaker. Does the minister not think that the needs of northern Ontario's students to go to medical schools would be better served if the government would adopt a policy of establishing a medical school in northern Ontario? Wouldn't this make it more likely that the students who would graduate from a northern Ontario medical school would practice in the north?

Hon. Mr. Auld: Mr. Speaker, I couldn't answer or speculate on the second part of the question.

As far as the first part of the question is concerned there are two matters. A medical school is a very large operation. It requires teaching hospitals in conjunction with it and requires a very large capital investment. It is not the kind of an operation, in my understanding, that you can deal with in terms of a relatively small number of students.

Knowing something of the problems of attracting enrolment in some of the universities in the province, including the north, I would have some hesitation in recommending such a course because I think the plans which

have been worked out in conjunction with the federal and our own Ministry of Health and our ministry, in terms of the health resources fund, will look after the situation more effectively.

Mr. B. Newman (Windsor-Walkerville): A supplementary, Mr. Speaker.

Mr. Speaker: A supplementary from the hon. member for Windsor-Walkerville.

Mr. B. Newman: May I ask the minister if he is giving serious consideration to the establishment of another medical school in the Province of Ontario, one in the city of Windsor, which has been requested by the University of Windsor for quite some time now?

Hon. Mr. Auld: Mr. Speaker, it would not be the Minister of Colleges and Universities who would be doing so. It would be the Ministry of Health in conjunction with the health resources fund programme.

Mr. Speaker: A supplementary?

Mr. Stokes: Yes, Mr. Speaker, a supplementary please. Will the minister assure those from northern Ontario, where there is a shortage, who are applying for medical school, that they will be given special consideration if they will guarantee to serve in unserviced or underserviced communities for a period of time?

Hon. Mr. Auld: I would think, Mr. Speaker, we would have to look at that pretty carefully and discuss it with the institutions involved. As the member knows, there is now a programme of assistance or encouragement to doctors to go to small communities and underserviced areas.

Mr. Speaker: The member for Huron.

CLOSING DATES FOR SECONDARY SCHOOLS

Mr. J. Riddell (Huron): Thank you, Mr. Speaker. A question of the Minister of Education. Is he aware that some school boards are permitting the secondary schools to close for the summer recess on June 7 while other school boards are living to the letter of the law and compelling their schools to remain open until June 14? Is the minister aware there is general concern on the part of parents and students over the discrimination against those students who have to stay until June 14 in the matter of seeking summer employment?

Hon. Mr. Wells: Mr. Speaker, under the modified school year plan, the time of closing for secondary schools becomes a matter which a board can set to some degree by adjusting the instructional days within the 197-day school year. I would venture to say it sounds to me that June 14 would be the more reasonable time for secondary schools to close rather than the earlier date.

I must tell my friend that it is up to the local school boards to adjust their school calendars, which they must have done. They must have been approved by the ministry. If they are somehow not living up to the letter of the law in the calendar they indicated they would use, then certainly the people from our regional office will have to look at that.

Mr. Speaker: The hon. member for Wentworth.

AIR POLLUTION AT NIAGARA FALLS

Mr. Deans: Thank you, Mr. Speaker. I want to put a question to the Provincial Secretary for Resources Development. I would rather put it to the Minister of the Environment (Mr. W. Newman), but twice in a row he has walked out of the question period.

Is the provincial secretary familiar with the ministerial order which was issued by the former Minister of the Environment (Mr. Kerr) on Cyanamid of Niagara Falls? And can he assure the House that they will not be granted an additional five years—which would take it from the year 1970 to the year 1979—before Cyanamid is required to reduce the emission of particulate matter?

Hon. Mr. Grossman: Surely the hon. member knows the answer to that, Mr. Speaker.

Mr. Deans: But he is the policy minister, Mr. Speaker—

Hon. Mr. Grossman: What does that mean? Are we going into that again?

Mr. R. F. Ruston (Essex-Kent): He has retired; he doesn't know now.

Hon. Mr. Grossman: Is the hon. member really suggesting in all seriousness that every time one of the ministers issues a stop order, I should be advised of it and know about it? The hon. member—

Mr. Ruston: The minister has been put out to pasture.

Mr. Deans: Let me put it another way—

Hon. Mr. Grossman: The hon. member knows perfectly well that the answer he expected—the only intelligent answer, the only logical answer—

Mr. R. F. Nixon: Is, "I don't know."

Hon. Mr. Grossman: —is that I will draw it to the attention of the minister. Obviously the question could have waited until Tuesday anyway, but I will see that it is drawn to the hon. minister's attention.

Mr. Breithaupt: The provincial secretary is here and the minister isn't.

Mr. Deans: Well, let me try to put it into a context which the provincial secretary might be able to answer. Is it the policy of his resources policy area to permit the continued emission of particulate matter for nine years after the issuance of a ministerial order to stop it?

Mr. Shulman: Just answer yes.

Mr. Lewis: That is a policy matter.

Hon. Mr. Grossman: It is the policy of this government, Mr. Speaker, to make sure that everything is done to protect the environment of this province.

Mr. Breithaupt: Haste makes waste.

Mr. Speaker: The hon. member for Welland South.

STRIKE AGAINST MAPLE LEAF MILLS LTD.

Mr. R. Haggerty (Welland South): Thank you, Mr. Speaker. I would like to direct a question to the Minister of Labour. Is his ministry aware of the present strike by the Canadian Food and Allied Workers, Local P-452, against Maple Leaf Mills Ltd. in Port Colbourne, and has an inquiry been made of his ministry by either party for the services of a mediator for a possible early settlement?

Hon. Mr. Guindon: Mr. Speaker, I am not personally involved, of course. However, I think I can assure my hon. friend that we do get in touch with both parties.

Mr. Speaker: The hon. member for Lakeshore.

POLICE ARRESTS ON SHOP PREMISES

Mr. P. D. Lawlor (Lakeshore): Thank you, Mr. Speaker. I have a question of the Provincial Secretary for Justice and the Attorney General of Ontario.

Mr. Breithaupt: He's here!

Mr. Lewis: Good grief!

Mr. Lawlor: By what pretended or infernal authority do people like Dominion Stores and certain shopping malls in the city of Toronto, enlist the power of police arrest against people coming on their premises to picket, particularly with respect to the present grape boycott, place them under arrest and have them incarcerated? How does this happen under the provincial secretary's jurisdiction?

Hon. R. Welch (Provincial Secretary for Justice and Attorney General): In the first place, Mr. Speaker, if it's happening, it's not under my jurisdiction. It's a question that obviously should be directed to the Solicitor General (Mr. Kerr), under whom law enforcement comes.

Mr. Breithaupt: One of those empty chairs down there.

Mr. Deans: That's not really very funny now.

Mr. Lewis: It can't go on forever.

Mr. Lawlor: Mr. Speaker, it is not the Solicitor General. Police are only carrying out a power that is conferred through the auspices of this minister.

Mr. Lewis: Of course.

Mr. Lawlor: How can store operators make a general invitation to the public for their own personal enrichment and then turn around and exclude customers? That's what they are doing. Will the provincial secretary look into it?

Hon. Mr. Welch: Yes, Mr. Speaker.

DENTURE THERAPISTS

Mr. R. F. Nixon: I have a question of the Attorney General. Can he say what the disposition will be of the charges that have been laid against at least one denturist, based on the bill in its former form? Actually in the form in which the hon. minister introduced it originally, the whole matter would never have come about. Has he received any indications from the Ministry of Health as to what the disposition of those charges should be?

Hon. Mr. Welch: Mr. Speaker, to answer the second question first, no. The charges have been laid, as the Leader of the Opposition knows. These charges will be proceeded with. If there are circumstances in which the new legislation should influence the actual outcome of those cases, we feel that is something which the judge hearing those cases can take into account.

Mr. R. F. Nixon: Supplementary: Since the policy of the ministry has been completely reversed by the introduction of yesterday's bill, would the minister not think it would be fair and, in fact, valid and supportable if, as the chief law officer of the Crown, he had those charges dismissed?

Hon. Mr. Welch: Mr. Speaker, I think perhaps we should review it this way: No. 1, it's alleged that certain individuals conducting themselves in Ontario were doing so in contravention of a law which is still the law.

Mr. R. F. Nixon: They certainly were. And if the Act is passed, the government is going to change it.

Hon. Mr. Welch: They were flouting the law and this matter can be adjudicated by the courts. No. 2, I think one should be very, very careful from a very legal and technical point of view to appreciate that, although the legislation introduced by the Minister of Health (Mr. Miller) yesterday changes the principle with respect to supervision, the law is still the same with respect to the qualification that people must have in order to practise this particular activity. One has to be very careful in interpreting what was done yesterday in the light of what the law still is today. I feel it's my responsibility to allow these matters to be settled in the courts where they are now.

Mr. R. F. Nixon: Supplementary: The minister then is taking no action. He's leaving it entirely with the courts, which will be required to interpret the legislation as it is now, although it is the intention of the government and this House to change that policy. Surely wouldn't the minister believe that, rather than this careful legal interpretation, he is the one, as the politician responsible, who should make a humane and fair interpretation?

Hon. Mr. Welch: Mr. Speaker, I am quite prepared to stand by what I said before, that the judge can take into account what the intention of the Legislature is, in view of the Act introduced by the Minister of Health yesterday.

Please be very careful in interpreting what we did yesterday. There are still some activities which are still not permitted without supervision and there are still some qualifications that are required of those who are going to conduct this particular activity. Under the circumstances charges have been laid. As the chief law officer of the Crown, I do have some responsibility to ensure that this matter is left for the courts to decide under these circumstances.

Mr. R. F. Nixon: Supplementary: Could the minister say how many charges are pending?

Hon. Mr. Welch: Seven.

Mr. Speaker: The hon. member for Nickel Belt.

REPORT ON CONESTOGA COLLEGE

Mr. F. Laughren (Nickel Belt): Mr. Speaker, I have a question of the Minister of Colleges and Universities. In view of the fact that the inquiry into the operations of Conestoga College of Applied Arts and Technology in Kitchener was completed over three months ago and virtually nothing has been done yet, does the minister not agree that it's time that an independent committee to implement those recommendations was established?

Hon. Mr. Auld: Mr. Speaker, I don't know exactly what has transpired because this is an internal matter, but I understand that some changes in the administration have taken place. I don't know of any reason why there should be any further inquiry. The inquiry that did take place was done at the request of the board at the college. I'll be glad to find out what the latest standing of the situation is.

Mr. Laughren: Supplementary, Mr. Speaker: Would the minister not agree as well that the very people who conducted the inquiry and have all the information concerning the internal operation of the college should be part of a consulting team that would help them implement the recommendations? Would he agree that as long as one doesn't have an impartial body implementing those recommendations they're not going to implement them at all?

Hon. Mr. Auld: Mr. Speaker, I think the real question here is whether the ministry is going to run the college or the board of governors through the Council of Regents. I

would say that we don't propose to change the policy and that the Council of Regents and, primarily, the board of governors are the people responsible.

Mr. Speaker: The hon. member for Peel South.

FLOODS IN MISSISSAUGA

Mr. R. D. Kennedy (Peel South): In the absence of the Minister of Natural Resources (Mr. Bernier) I have a question of the Provincial Secretary for Resources Development. In the light of what appears to be significant damage due to the overnight flash floods in Mississauga, would the minister check into or advise if there is any contingency fund to deal with such situations? Secondly, over the weekend would his officials monitor this situation to see if it is as indicated just at this time? It's a little early to know the full extent of the damage, but certainly the damage to some private residences appears to be significant.

Hon. Mr. Grossman: Mr. Speaker, I'm sure that the very able officials of the Ministry of Natural Resources have already alerted themselves to this. As to whether there is a fund, I believe there is a fund under the jurisdiction of Treasury, Economics and Intergovernmental Affairs to handle situations like that.

Mr. Deans: It's funny how the minister knows about that, isn't it?

Mr. Lewis: It's not a policy question, for heaven's sake.

Hon. Mr. Grossman: What did I say? I said I was sure that the capable officials in Natural Resources had this in hand. That's all I said.

Mr. D. C. MacDonald (York South): That's all he said all right.

CROP INSURANCE

Mr. Ruston: Mr. Speaker, I have a question of the Minister of Agriculture and Food. It is near the end of the question period but I am sure he will answer it in time.

I am not sure if he will accept any responsibility for the heavy rainfalls—it might be considered a federal responsibility—but is the minister considering extending the planting date in the crop insurance plan for corn, soya beans, etc?

Hon. Mr. Stewart: Mr. Speaker, there is no planting date for those commodities because the planting date which previously had pertained was eliminated in the new plan application for this year which provides for the bare ground coverage. Thank goodness it is in this year because it looks as though it might be applicable.

Mr. Cassidy: A supplementary, Mr. Speaker: Is the minister holding any meetings with farmers in eastern Ontario in view of the fact that the apparent wet cycle has hit them for three springs in a row and may continue to do so? There should be an acceleration of tile drainage and other measures to protect those farmers against the problems they have been suffering.

Hon. Mr. Stewart: Mr. Speaker, our agricultural representatives and extension engineers are available to discuss this and have. If my hon. friend knew anything about what is happening in eastern Ontario, he would know there has been a greater percentage of tile drainage used in eastern Ontario in the last five years than anywhere else in Ontario.

Hon. Mr. Grossman: Didn't the member know that?

Mr. Breithaupt: They are building a dam, too.

Mr. Speaker: The member for Wentworth.

HAMILTON TEACHERS' COLLEGE

Mr. Deans: I have a question of the Minister of Colleges and Universities.

Can the minister indicate what is going to happen to the Hamilton Teachers' College?

Hon. Mr. Auld: Mr. Speaker, I think the member might direct his question to the Minister of Agriculture—

Mr. Deans: Agriculture? The minister should check and see who is in here before he says it.

Mr. MacDonald: There is a lot of tile drainage, in Hamilton, too.

Hon. Mr. Auld: There is a little confusion around here I would say.

The Hamilton Teachers' College is at present, as several are, still under the jurisdiction of the Minister of Education.

Mr. Deans: Can the minister tell me what is going to happen to it?

Hon. Mr. Auld: I can but it is his bailiwick and he will be delighted to tell the member.

Mr. Breithaupt: Mr. Speaker?

Mr. Speaker: Order, please. The member for Windsor-Walkerville with a supplementary?

Mr. Breithaupt: I have a supplementary to that. Is the college simply to be transferred to this minister's jurisdiction or is it to be closed?

Mr. Deans: He doesn't know.

Hon. Mr. Auld: The Hamilton Teachers' College? As I say there are three at present under the Ministry of Education—Hamilton, Sudbury and Ottawa—and I think the minister will be making an announcement about these very shortly.

Mr. Speaker: The time for oral questions has now expired.

Petitions.

Presenting reports.

Motions.

Introduction of bills.

Orders of the day.

Clerk of the House: The 25th order, House in committee of supply.

ESTIMATES, MINISTRY OF GOVERNMENT SERVICES
(concluded)

On vote 702:

Mr. Chairman: On vote 702, are there any further questions on this? Shall this vote carry? The member for Essex-Kent.

Mr. R. F. Ruston (Essex-Kent): Is there any estimate in this vote, through you, Mr. Chairman, with regard to the new athletic complex in the Oakville area announced recently by the Premier (Mr. Davis)?

Hon. J. W. Snow (Minister of Government Services): No, Mr. Chairman, there are no funds in these estimates for that complex.

Mr. Ruston: Then I imagine you have no architect's plans at this time. Is that correct? Have you any drawings or anything of what you are proposing? Do you have any idea what there might be?

Hon. Mr. Snow: No, no plans have been prepared. Certainly a lot of consideration has been given to the facilities that eventually will be built over several stages in the complex. At the present time we are doing an assessment of several possible sites in the general area. As soon as the final site is established, we will commence the planning of the first stage of the building programme.

Under normal circumstances, there would be no money or very little money expended in this fiscal year for any construction. We probably will be spending the rest of the year on the preparation of plans.

Mr. Ruston: Regarding your capital construction programme, I notice the estimated increase is more than $15 million. Is the reason for this the number of buildings that are being completed or have been planned over the past year, or is it because of proposed new buildings? What I'm getting at is, what does the $15-million increase cover, more or less?

Hon. Mr. Snow: I don't think I'm able to say specifically what that covers, Mr. Chairman. It's a multitude of things. As usual, the biggest portion of our cash flow for this particular fiscal year is for projects started last year. Then, of course, there are many new projects to be started this year, and some cash flow will be required for them.

For instance, we have the four new regional detention centres, which alone total some $50 million. Those four projects are all expected to go to tender in midsummer and perhaps should be under construction by Sept. 1. So we will have considerable cash flow on those four between Sept. 1 and the end of March. That will make up quite a bit of it.

Mr. Ruston: I take it then, on page 14 of your book of projects, that the amount of $13,960,000 for jobs at various locations probably would be included in that too. Is that right?

Mr. Chairman: Vote 702? The member for Ottawa Centre.

Mr. M. Cassidy (Ottawa Centre): On vote 702, Mr. Chairman, I would like to ask the minister about the plans for acquisition of lands on the parkway belt and the Niagara Escarpment—

Mr. Ruston: Mr. Chairman, the minister is checking on my question.

Mr. Chairman: Oh, I am sorry. I believe the minister did have a reply to the question of the member for Essex-Kent.

Mr. Ruston: Is the $13,960,000 more or less for projects to be completed this year?

Hon. Mr. Snow: That, Mr. Chairman, is an allowance for projects that are not as yet definitely approved for construction. It includes projects that are on the "A" list with an "A" priority but for which Management Board has not yet given final approval. They are projects listed in the "A" list section, which we anticipate will go to the construction stage this year.

Mr. Ruston: Are they kind of special projects?

Hon. Mr. Snow: If the member will look, Mr. Chairman, he will see that some of the projects in the "A" list have an asterisk beside them. Those are the projects which we anticipate will proceed to construction under that $14-million figure.

Mr. Ruston: Thank you.

Hon. Mr. Snow: If he looks at page 21, there's the agricultural museum, the Barrie court house, the provincial courts building in Brockville—projects with an asterisk beside them.

Mr. Ruston: Thank you.

Mr. Chairman: The member for Ottawa Centre.

Mr. Cassidy: Mr. Chairman, I want to ask the minister about the acquisition of land on the parkway belt and the Niagara Escarpment. I seem to recall that when the plans for the escarpment and the parkway belt were introduced by the Treasurer (Mr. White), we were told the amounts of money required to protect the escarpment in perpetuity were simply astronomical. The Treasurer took an estimate that was grossly inflated; I think he tried to total it up as $3 billion or $4 billion.

Now we find that the minister is only going to spend $17 million on the parkway and on the escarpment. Can the minister give us details about that? How does it fit into the overall plan for protection of the escarpment? What kind of land is it intended to buy and how many acres will this cover?

Hon. Mr. Snow: No, I am not able to give the member that information. We do have, in our estimates, $17 million for acquisition of some properties within either the parkway belt or the Niagara Escarpment. Also, Mr. Chairman, the Minister of Natural Resources (Mr. Bernier) will have funds within his estimates for the acquisition of Niagara Escarpment land which we will buy directly for him. He will also have funds for the acquisition of Niagara Escarpment land by the conservation authorities, on which he subsidizes or pays 75 per cent of the cost. I can't tell the member what the total funds in the budgets come to. We will be buying land in the Niagara Escarpment area for the Ministry of Natural Resources using his funds.

Mr. Cassidy: How much of the $17 million here will be reimbursed, if any, by the Minister of Natural Resources? How much of it is coming out of Government Services funds?

Hon. Mr. Snow: None of it will be reimbursed by Natural Resources; that's why it's in our budget.

Mr. Cassidy: Okay. Can the minister kindly tell us, rather than going on about Natural Resources—I would like to have had an outline of the whole programme, but let's talk about the minister's own programme. How are you going to spend that $17 million? What kind of land or property do you intend to acquire? How much will be spent on the escarpment area and how much on the parkway belt? How much is under negotiation now?

Hon. Mr. Snow: Mr. Chairman, the acquisition programme for the parkway belt has not yet been started and probably will not start until after the parkway belt hearings are completed. However, these funds are included for this year to purchase land that we know basically has to be acquired for certain purposes, whether or not there is a parkway belt, and to give us funds to purchase land where owners or estates, because of particular circumstances, wish to sell their lands.

Mr. Cassidy: Is it a slush fund then or can the minister say what kind of land you are going to buy? You apparently have some idea—

Hon. Mr. Snow: We are going to buy solid land, that you walk on.

Mr. Cassidy: Yes, but where? The minister says for various purposes. Is it for highway corridors? Is it for recreational purposes? Is it for housing? Is it for industrial use? Is it for landbanking? What is it the minister intends to acquire this land for?

Hon. Mr. Snow: It won't be for housing. We don't anticipate buying any property within the parkway belt for housing. But it could be land that will be designated for recreational use or for transportation corridors where the highways will be going through the parkway belt.

Mr. Cassidy: How many acres does the minister intend to acquire, approximately?

Hon. Mr. Snow: The amount of acres will be the amount of acres this amount will buy, based on the market value of the land.

Mr. Cassidy: What's the current average value of lands being acquired by the ministry in the parkway and the escarpment?

Hon. Mr. Snow: I cannot give the member that. We have not bought any land in the parkway belt as yet. Figures are already in Hansard regarding land we have purchased on the Niagara Escarpment. To date we have bought 271 properties, 32,560 acres for $10,639,900, on the Niagara Escarpment. That was bought for the Ministry of Natural Resources.

Mr. Cassidy: Mr. Chairman, the point I want to make is simply that the minister is being very vague and indefinite in explaining what this $17 million is for. It does not appear that it is part of an overall programme; if it is the minister isn't aware of it and he should be as the agent for buying land on behalf of the government. If there was any real credibility or any real determination by the government to ensure the escarpment is kept for public purposes rather than being despoiled in the way it has been over the last few years, there would be much more acquisition than there is right now.

Hon. Mr. Snow: The protection of the Niagara Escarpment has nothing to do with my ministry or funds in this vote. The protection of the Niagara Escarpment—as the member should know, he's been around here long enough—is under the Niagara Escarpment Act, under the zoning controls and ministerial orders of the Treasurer, and under the controls of the Niagara Escarpment Commission. The Niagara Escarpment is not being destroyed in any way.

Mr. Cassidy: Isn't it clear though, Mr. Chairman, that when a minister gets up and says: "That's not my responsibility," he is simply rejecting the whole concept of change in government which we thought had been accepted by the government as a result of the COGP? It was touted again and again that there would be integration and co-ordination and that kind of thing; and now we find a minister who simply says: "I am a hired gun."

Hon. D. R. Timbrell (Minister without Portfolio): Absolute nonsense.

Mr. Cassidy: He says: "I simply do what I am told. If the Ministry of Natural Resources wants me to buy this land and if they don't happen to have the funds, they will dip into my slush fund. If the Treasurer wants me to buy it, they will dip into my slush fund. If MTC wants me to buy it, they will dip into my slush fund." It is $17 million, and he is simply not willing to say what it is all about.

That is not good enough. We had an example in the question period where the Treasurer is saying if it is housing it is the Minister of Housing (Mr. Handleman) or if it is energy it is the Minister of Energy (Mr. McKeough), despite the fiscal consequences.

This minister is the chief landowner in the government. He is the person who handles the acquisitions whether or not they happen to go on his particular account. If MTC or some other ministry requires an acquisition, it goes through the Ministry of Government Services. It seems to me, therefore, that the Government Services ministry should have a fair understanding of what land is being acquired, why it is being acquired and how the various pieces being assembled by this ministry fit together. There is no evidence of that at all in what the minister has given us in commenting on this $17 million today.

Hon. Mr. Snow: Obviously, Mr. Chairman, anything I would say to the hon. member will not change his opinion; so I don't really know if there is any use in my commenting any further.

Mr. Cassidy: My opinion is solidly based on what the minister has said.

Hon. Mr. Snow: That is absolutely wrong; everything that the hon. member has said is absolutely wrong. Surely he understands the procedure of the Niagara Escarpment Commission which has been appointed and which is preparing a plan over a three-year period and will lay out the areas that will be acquired. The funds in this vote are set up to have funds available to acquire land when the decisions are made that these acquisitions should be made.

The hon. member is also wrong in saying the Ministry of Transportation and Communications calls on us to buy land. The Ministry of Transportation and Communications has its own property agents in a right of way branch who purchase rights of way for that ministry throughout the province. There will be certain rights of way that are within the parkway belt. When the hearings

are completed and this is established they will be purchased by my ministry.

Mr. Cassidy: Somewhere within the government, Mr. Chairman, there should be some overview covering land that is owned by provincial government and by provincial agencies. The logical place is probably within this particular ministry. If it is somewhere else, then the ministry as a major agent of land acquisition for the province ought to be aware that land policy is being carried out and where the overview exists. To my knowledge, it doesn't exist.

It seems to me this ministry should know why people are acquiring land; it should have an inventory of all lands owned by the Crown in right of Ontario, whether it be by Hydro or MTC, the Ministry of Housing, OHC, or Natural Resources or some other government ministry.

It should be able, among other things, to put needs for land together with some supply of land, because after all there are resources there which are probably being overlooked right now. Who is looking at it? When the Ministry of Housing wants some land, is it aware of the fact that MTC or some other ministry may have land holdings which could be suitable for the purposes of the Ministry of Housing? This has occurred at the federal level where it has found it has tens of thousands of acres in major cities of Canada which are now either underused or going to waste. I'm sure there is provincial land handled that way as well.

What overview has the ministry of provincial land holdings? And if the ministry has none, which ministry has?

Hon. Mr. Snow: Mr. Chairman, we in this ministry have the basic inventory of land. That is patented land; not Crown land. Crown land, under the Crown Lands Act, comes under the Ministry of Natural Resources.

Mr. Cassidy: Yes.

Hon. Mr. Snow: I don't think the member is suggesting, surely that I should be in control of all the timber lands and the Crown lands in the province?

Mr. Cassidy: No, except where there is Crown land in urban areas; that should be the ministry's responsibility.

Hon. Mr. Snow: I'm not aware of any Crown land in urban areas.

Mr. Cassidy: Fine.

Hon. Mr. Snow: I can't say there isn't any. As far as patented land and surplus land which we hold is concerned, we certainly make the Minister of Housing aware of any lands declared surplus by our client ministries for which we are holding the land.

In several cases we have turned land over to Ontario Housing Corp. for housing developments. They know of land we have available. We sold a site in the city of Windsor to Ontario Housing for a senior citizens' housing project. We sold a parcel of land in the town of Oakville for the same purpose. We sold 100 acres of surplus land at the Bowmanville Training School to Ontario Housing Corp. for housing development. We work very closely together.

It's the same with Transportation and Communications. Any land or pieces of land they have surplus to their highway needs when they have completed an overpass, say, or a cloverleaf, and they end up with a parcel of land, we are aware of that. Quite often we obtain parcels of land from the Ministry of Transportation and Communications for our purposes. We have obtained parcels from them for tourist information sites and for correctional services sites.

In London, we have a major parcel of land we are using for a site for the new Transportation and Communications office; highways garages, workshops, testing laboratories and so on. On the same site is being constructed the London Correctional Centre or the London Detention Centre. This is all on a parcel of 100 or 150 acres of land which became surplus when Highway 401 and the cloverleafs were constructed.

We co-ordinate very well, I think, the land assets of the Province of Ontario. We certainly have them inventoried.

Mr. Cassidy: I will close off this line of questioning in a minute. What is the policy by which a government department declares a certain parcel of land as surplus? What does the minister do in order to encourage the provision of surplus land or its declaration as such?

Hon. Mr. Snow: First of all let's look at the Ministry of Health or the Ministry of Correctional Services, which are two of the ministries with the most surplus land because of changes in their programmes. When it changed its programme, the Ministry of Correctional Services' farming operation ceased and these agricultural lands were declared surplus and turned over to our ministry to administer. In many cases, we are holding this land and leasing it to farm-

ers in the local area. We have quite a bit of land leased out for agricultural purposes.

Again, as I've told the hon. member, we have some that we have sold to Ontario Housing. In the city of Guelph we have some 700 acres now. If the hon. member had been here the other night he would have heard me discussing this with the member for that area. We are working with the mayor and council and planning staff of the city of Guelph to work out a land use plan for the 700 acres of land we have there which became surplus at the Guelph Reformatory. All these uses are being investigated.

As far as encouraging the ministries to declare land surplus, we don't go around shaking them by the scruff of the neck saying we want your land back. On the other hand, if we come up with a need for a particular piece of land, for instance, if we come up with a need for an Ontario Provincial Police site, we immediately look at any land we own in that town or township or whatever it might be. We look at any land that Transportation and Communications has. We look at any land that, say a psychiatric hospital or a correctional institution might be on. If we think there is a site available that we could use, even though it hasn't been declared surplus we will approach that ministry and see if they can release to us sufficient land that we might use for this purpose without affecting the programme of that particular ministry. This has all worked out very well. The people in my property branch do an excellent job at it.

Mr. Cassidy: May I say as a final comment, Mr. Chairman, if a department has land it isn't quite sure whether or not it needs, it will be a natural tendency of the ministry or of the particular agency or institution, like a provincial hospital or whatever, to hang onto that land just in case. When a provincial agency or ministry intends to go forward with a programme that requires land, it will have a natural tendency too to use its own land. With changing circumstances, with the rising values of land, with urbanization and so on, those uses may not be an appropriate use of that particular land or a reasonably effective or economic use.

It doesn't make much sense, for example, to put up, say an MTC office in London where they are going to use 10 acres of land, when three or four acres would do or another alternate location on an industrial site would do and would allow that 10 acres to be allocated for some alternative uses like residential purposes.

It seems to me the ministries themselves, because of their own interests, are not the best place to make those decisions and that this Ministry of Government Services is probably better placed to keep an eye on the intended uses of that land, to shake free the surplus land and to twist the arms of the various ministry officials to make sure that land for which they don't immediately have a need comes into the general landbank; which should then be administered by the Ministry of Government Services to ensure that any plans they have are not distorted because of the availability of land which was acquired cheaply a number of years ago and which has been held cheaply because the true costs are not reflected in their accounts.

Hon. Mr. Snow: Mr. Chairman, there is also another very important factor in the use of land in this province, and that happens to be requirements of the municipalities. Probably the hon. member wouldn't recognize that.

Mr. Cassidy: Of course I would, I am a municipal critic.

Hon. Mr. Snow: We work very closely with the municipalities where this land is located. As I have stated we are working with the mayor of the city of Guelph and his planning staff. I have met with them personally for discussions on this land.

In the city of London, when we established this centre for the Ministry of Transportation and Communications and the regional detention centre, this was all worked out with the planning board of the city of London. We advertised and held a public meeting to explain the project to the residents of that city. This was prior to making application for the rezoning that was required. Even though we are not required by law to rezone land for provincial use, we do so. We proceeded with a rezoning application for this project in the city of London which has just now been finalized. We do not allocate land for a specific use just because we happen to own that land if the use is not compatible with the area.

Mr. Cassidy: Oh no; but that is the tendency and the minister is the one that has got to stop it.

Mr. Chairman: The hon. member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Thank you, Mr. Chairman. I would ask the indulgence of the House, and you Mr. Chairman, for a moment. A school has come in; I am speaking on behalf of my colleague, the member

for Sudbury East (Mr. Martel), who is away at another committee in this building, as you know. The school in question is l'Ecole Notre Dame de la Merci of Coniston, with 39 students and four adults. Thank you.

Mr. Cassidy: Vous êtes le bienvenu.

Mr. Chairman: The hon. member for Windsor-Walkerville.

Mr. B. Newman (Windsor-Walkerville): I want to continue with the minister where the member for Essex-Kent left off on the matter of the athletic complex at Bronte. I want to ask the minister when the suggestion was first presented to him and by whom.

An hon. member: The Premier.

Hon. Mr. Snow: I don't know of any specific date, Mr. Chairman. This is a matter of government policy. It has been under discussion for some period of time.

Mr. B. Newman: What do you mean by a period of time? Two months, a month, six months?

Hon. Mr. Snow: To my knowledge, it has been discussed for the last couple of years.

Mr. B. Newman: Is the minister aware that the select committee report on the problems of youth, about six or eight years ago, strongly recommended that the government should expand athletic facilities throughout the province, starting with the development of more leadership training facilities? We have them at Couchiching and Bark Lake, but they suggested this programme should be expanded on a regional basis.

That probably would make more sense than simply picking out one location in the province, such as you have done with Bronte. Not that there is anything wrong with putting it in Bronte, but there are other parts of the province that would like exactly the same type of treatment. They too would like to contribute to the general overall physical fitness and athletic excellence of their students and their youth.

I would like to know, is the minister using this as a pilot project or does he have in mind expanding such facilities to other parts of the province so we can treat all parts of the province in exactly the same fashion?

Hon. Mr. Snow: Mr. Chairman, I think the hon. member should discuss the athletic programme with the Minister of Community and Social Services (Mr. Brunelle) when his estimates come up, next week, I believe since it is a programme of his ministry. My responsibility is obtaining the necessary sites and the building of such facilities.

Mr. B. Newman: I understand that very well, Mr. Chairman, and when the minister's estimates come up I will do exactly the same thing, as I will do with the Minister of Education (Mr. Wells) when his estimates come up. But I point out that a report was tabled in this Legislature by the hon. member for Kingston and the Islands (Mr. Apps); and I recall there was much concern at the time, which I recall, because I happened to be a member of that committee.

Since your ministry is responsible for the purchase of the property on which you are going to develop this facility, are you considering the purchase of other properties to develop similar athletic facilities in other areas?

Hon. Mr. Snow: Mr. Chairman, in the blue book, under the "A" list, on page 24, there is a reference to the Ontario athletic leadership camp at Longford Mills, where a project is being carried out for the Minister of Education this year.

I don't want to get into discussing my colleagues' programmes, but I am aware—and I would have thought you would have been—of other action that has been taken by the government on athletic facilities. And if you read the Premier's speech announcing this project, I think you will see that he referred to other facilities that would be provincially assisted.

Mr. B. Newman: Mr. Chairman, I don't want to prolong this, but I look upon this as simply trying to funnel a given facility into one given area for purposes that really don't fit into the overall plan—and that was the plan originally set up by the select committee on youth. I think once you set up something like that you should sort of more or less follow that system—the least you can do really is regionalize such an athletic facility so that all parts of the province can be treated in the same fashion.

Hon. Mr. Snow: Mr. Chairman, one of the criteria in the selection of the site of this particular project was its ideal location as it related to a very major portion of the population of the Province of Ontario. Within a 50-mile radius of this site are four million people, or roughly 50 per cent of the population of this province; and it is served well by transportation—by GO Transit, the GO bus service, the Queen Elizabeth Way. Many other con-

siderations were involved in the selection of this site.

Mr. B. Newman: Mr. Minister, I won't argue with that, but I will argue that you have more athletic facilities in this locality than you have in any other locality in the province. It's not that I would like to prevent Bronte from having what has been proposed by the Premier, but I think you have to consider other parts of the province. Metro Toronto has a lot more than other areas in the province and we are going to have to seriously consider assisting the other areas in the same fashion as you are going to be doing in this instance.

Mr. Chairman: The hon. member for York Centre.

Mr. D. M. Deacon (York Centre): Yes, Mr. Chairman; I do argue with the selection they have made in Bronte. I argue because we are beginning to understand more clearly that if we continue to follow the principle of providing services where the people are, and always do that, we are going to have all the people in one spot.

We know what happens when that principle has been followed. There are examples of it right across the United States. Riot after riot has been caused by allowing this principle to be followed; concentrating people, piling them on top of each other. Surely this government will follow the principles it stated it believed in when it announced the Toronto-centred region plan; a plan, supposedly to de-centralize the opportunities around this province and not to have everything concentrated in one area.

When I look at this estimate of approved construction that is in this book and add up the total of the facilities being built, 50 per cent of the approved contracts are in the Toronto-centred region. What about the areas away from this part of Ontario? Why do we provide all the incentive for the opportunities that youth are seeking in the Toronto-centred region?

I live here. I was born in Toronto; I am proud of it. But by golly we are going to destroy the fine things we believe in unless we start changing our programmes.

When I heard that announcement about Bronte, I said: "Fine. Completely contrary to the basic principle the government stated when it announced a new project out in Pickering for housing, supposedly to disperse people to the east."

You folks aren't consistent. You are hypocritical and it is time you started to realize by the—

Hon. Mr. Snow: You are an expert at that, that's for sure.

Hon. Mr. Timbrell: You are great ones to talk about hypocrisy, in that party.

Mr. Deacon: I think this party tries consistently to be consistent in everything.

Hon. Mr. Timbrell: It tries to be on both sides of every issue—

Hon. Mr. Snow: Tries consistently to have both feet in mid air.

Hon. Mr. Timbrell: —and to sit on the fence whenever possible.

Mr. Ruston: How about the fence you are on? You guys can't make up your minds what you want.

Mr. Deacon: We have some youngsters here from Coniston today. Sudbury needs more opportunities for employment for youth.

Hon. Mr. Timbrell: What are you afraid of? Showing them what you really stand for over there?

An hon. member: It is not in the Toronto-centred region.

Mr. Deacon: No, it is not in the Toronto-centred region. But I was talking to a youngster up in Timmins not too long ago and I asked why he was going to move to Toronto: "Do you like Toronto better? Is it because you don't like Timmins?" He said: "I can find a job that I have been trained for in Toronto in 24 hours. I couldn't get that job in 24 weeks or 24 months or 24 years probably in the Timmins area." And the reason they don't have job opportunities up there is because we are not dispersing our opportunities.

Some years ago, as a centennial programme, the bureau of municipal research in Toronto organized a study in 40 major cities of the world on the major problems they had. That was followed in 1972 by a conference of a major number of cities plagued with the problem of squatters, discussing how they deal with their squatter problem in Buenos Aires and Lima and places like that. The people were all coming in from the hinterland and the rural areas in an urban migration; and the problems were being caused by that. They found the only way to solve it was not to provide the services in the centre, as we are doing here, but to improve the opportunities in the hinterland. Not only was that a way to provide a happier climate for peo-

ple to live in because they wouldn't be piled on top of each other, but also it was at a cost far less, about 25 cents in the dollar, than the spending they would have to do to provide equivalent services in the cities.

What my colleague from Windsor-Walkerville says is absolutely true. A select committee recommended that the opportunities be placed regionally but the first thing we do is build another thing centrally. Toronto recognizes the threat it faces because of this continued centralization of opportunity in Toronto. Here we have, as I say, 50 per cent of the construction approved in this book in the Toronto-centred region. Can't we change our thinking? Can't this minister who is responsible for construction of government facilities, do something to persuade his colleagues to build developments in the hinterland?

There are plenty of attractive places in Ontario, other than in this region, which are dying for the opportunities, for the job opportunities, that this construction represents. It's time we recognized, in this age of technology and improved communications, when we're seeing evidence of the problems of concentrating people, that we should follow the principles the government stated it had, by dispersing opportunities. Let's change, for once. I'll be delighted when this minister comes in with a programme which perhaps shows 20 per cent of the construction in the Toronto-centred region but not 50 per cent.

Hon. Mr. Timbrell: Now we know where you stand. Ignore the needs of the Metro people.

Mr. J. R. Breithaupt (Kitchener): That's rubbish; you're wrong.

Mr. Deacon: I am looking after the needs of the Metro people.

Hon. Mr. Timbrell: If 50 per cent of the people are here, why not?

Interjections by hon. members.

Hon. Mr. Snow: There's no doubt, Mr. Chairman, that 50 per cent of the people are certainly within the Toronto-centred region.

Mr. Ruston: We're going to secede, that's all. We'll fix you guys.

Hon. Mr. Snow: I think if you look carefully at the programme of this ministry, as far as construction is concerned, certainly we have spread into every municipality and every area of this province.

Mr. Deacon: Just piddles, little drops in the bucket.

Hon. Mr. Snow: Little drops in the bucket, right. We have a $7 million, $8 million or $9 million project in the planning stage for Sudbury. We have a new $3 million or $4 million office building in Windsor. We have a new $2 million or $3 million courthouse in Kitchener.

Mr. B. Newman: Do you know how long that Windsor building has been in the planning stages? It was promised in the 1959 election.

Hon. Mr. Snow: I didn't interrupt you.

Mr. B. Newman: And you were going to have a dinosaur park there after that.

Hon. Mr. Snow: In Thunder Bay, we've got new facilities: there are two, three or four projects in Thunder Bay. In Fort Frances we're designing a new project there now. A new office building in Timmins; a new office building in Dryden; a new courthouse in North Bay; new offices for the Ministry of Natural Resources in all the remote centres of Ontario, practically; new facilities for Transportation and Communications throughout. We have 29 projects, I think, on our "A" list this year for Transportation and Communications, and of those 29 projects I would say at least 20 of them are in the outlying areas of the province.

Sure, if you want to add up dollar volume as far as projects are concerned—we have $25 million or $30 million for Metro Toronto in the two jails, the east and west detention centres. Are you suggesting those facilities are not required in the city of Toronto? Let's be reasonable.

Mr. Deacon: Mr. Chairman, the minister knows what I am suggesting. I'm saying that when we provide opportunities, a lot of opportunities are represented by the dollars invested in these buildings; the government job opportunities are very much represented. That complex we have lying to the east of us here, with all the various departments located in it; there's no reason why those departments can't be located in other centres of Ontario and linked together by the modern communications we have. There would certainly be as much personal communication as there is right now.

I could hardly believe what the member for Don Mills (Mr. Timbrell), the hon. minister—

An hon. member: Without.

Mr. Deacon: Yes, the hon. minister without.

Hon. Mr. Timbrell: I'm not without. I brought my portfolio this morning.

Mr. Breithaupt: It's not a very big one.

Mr. Deacon: Now as to what the hon. minister had to say about us wanting to ignore the needs of Toronto. I think we recognize that the real needs of Toronto are to reduce the pressures now faced by this city because of continued proliferation of growth on growth, since this is where all the population is.

Hon. Mr. Timbrell: But you don't reduce pressures by ignoring real needs.

Mr. Deacon: You reduce pressures by recognizing the real need. The real need is caused by the destruction of neighbourhoods resulting from rising land prices. There is real need caused by the need for more services because more people are moving in; and more people are moving in because the job opportunities are here, not because they want to move here.

A lot are choosing to move back to where they came from because although they found some attractive employment opportunities here, the frustration of living where they had to travel long distances and things like that made them change their minds and go back. There are people who were born here who are moving away because of the change, because they'd like to live in quieter places. But the difficulty always is to find opportunities.

What I am trying to get through to the minister and his colleagues is that we should re-examine our priorities and stop following this idea that we have to be right in the centre of the market. We know the dangers that will lead us into—the dangers that New York found, that Detroit found, that Los Angeles found—and the rot and the riots start. And the costs are beyond comprehension—not just economic costs but the costs in terms of destruction of human values.

So I urge the minister not to just say: "Where would you make the change?" I know that he and his government will make changes if they really follow what they say they believe and disperse opportunities around Ontario. I am sure the population will appreciate it, and it'll be done at far lower cost in every sense than the policies we are now following.

Mr. Chairman: Shall vote 702 carry?

Vote 702 agreed to.

On vote 703:

Mr. Chairman: On vote 703, the hon. member for Essex-Kent.

Mr. Ruston: I gather this is for repairs, maintenance and so forth of buildings leased by your minister. Is that correct? Item 2, for instance, is for repairs, operations and maintenance, and tenant alterations. I take it these would be buildings you lease and fix up according to the wishes of the client ministry. Is that correct?

Hon. Mr. Snow: This is a different setup than we had in our estimates last year, Mr. Chairman. This used to be grouped in with our total provision of accommodation programme. We separated it this year to give a better idea to the members where the funds are being spent. This programme provides the upkeep of property owned or occupied by the ministry. It is for repairs and maintenance of buildings that we own, as well as buildings we may lease, although in most cases we are not required to maintain the leased buildings.

Mr. Ruston: But you may make alterations to them as far as office facilities are concerned. You may put—

Hon. Mr. Snow: Yes, during the term of a 10-year lease or something, we certainly may have to change partitions or, in some cases, we may be responsible for the redecorating and things of that type.

Mr. Ruston: In effect, then, I take it that the major part of the $37 million is for maintenance of buildings you own, while a small amount might be involved for alterations and so forth to buildings you lease. Is that correct?

Hon. Mr. Snow: Yes, if you look at page G45, you'll see it is pretty well broken down there. There are, for example, salaries and wages for our employees, employee benefits and services, which would cover materials purchased for alterations, repairs and the general maintenance of our property.

Mr. Chairman: The member for Windsor-Walkerville.

Mr. B. Newman: Mr. Chairman, I want to ask the minister if the ministry has ever arrived at some type of a formula where it could be said that it would be better to purchase or build, rather than to lease—to do something other than leasing? I have noticed that for years in certain communi-

ties—and I can relate to my own—you have had offices scattered in, I think 12 different locations. I would have thought it would have been better in that instance to have provided a provincial building in the community, rather than having offices scattered all around and paying all of those rentals to 10 or 12 different landlords.

Hon. Mr. Snow: Mr. Chairman, the matter the hon. member is discussing was in the last vote pertaining to lease. This is only the upkeep of our own accommodation. We investigate very carefully the different needs or the purpose for which the space is being acquired. Obviously special purpose buildings, hospitals, institutions and correctional centres are not leased. They are built on a capital programme. Courthouses and many other special purpose buildings are built, but sometimes when you require one additional family courtroom, for instance, in a municipality, it doesn't pay you to go out and build a courthouse to get maybe 4,000 or 5,000 square feet of space for a family court. It is much better to lease in that case.

In some cases, the ministry will have a requirement for space for only a short period of time. They will need a space for three years for a particular programme. It doesn't pay to build a new building for that.

What we are doing, and I have explained this to the hon. member a dozen times, is in the major centres we are building Ontario government buildings—some are completed, some are under construction and some are in the planning stages—where we can bring together most of the offices, and I won't say all of the offices, in those municipalities.

We are building-in some expansion space, but at some stage that building is going to get full. I am not going to say we are going to go out and build another new building. When that building gets full and we need an extra 5,000 square feet of space, we are going to go to the market and lease that space. Perhaps in a number of years when we get a group of leases built up and need expansion space, the time will come to build a new building.

Mr. B. Newman: Thank you, Mr. Minister. What I was really referring to is where you have the Ministry of Labour, the Ministry of Transportation and Communications, the Ministry of Community and Social Services, the Ministry of Consumer and Commercial Relations, the assessment office and all of these various ministries, Workmen's Compensation and so forth, scattered throughout the community. To me it would have made good common sense to have all of those facilities concentrated or put into the one building.

Hon. Mr. Snow: How many times must I explain to the hon. member that that is exactly what we are doing?

Mr. B. Newman: Since 1960 in this House—

Hon. Mr. Snow: I wasn't here in 1960.

Mr. B. Newman: —we have been trying to explain to your government over there that this is what should have been going on. Isn't it funny that it has taken 15 years for the government to wake up to that?

Mr. Chairman: I think we are getting a little off the subject.. We are dealing with the upkeep of buildings.

Mr. B. Newman: I was dealing with leases.

Mr. Chairman: In the last vote we dealt with leasing and capital construction. Are there any further questions on vote 703 as far as upkeep is concerned?

Vote 703 agreed to.

On vote 704:

Mr. Chairman: The hon. member for Yorkview.

Mr. F. Young (Yorkview): I presume we are taking this vote in total and we will discuss any points.

Mr. Chairman: It might be more practical and easier to deal with if we took it item by item.

Mr. Breithaupt: That is what I was going to suggest, Mr. Chairman.

Mr. Chairman: Does any hon. member wish to speak on item 1 of vote 704?

Item 1 is agreed to then. Any member wish to speak on any item before item 8?

Mr. Breithaupt: Item 5.

Mr. Ruston: Item 3.

Mr. Chairman: Which item is it?

Mr. Ruston: Item 3. Is this strictly Government Services? Would this have anything to do with doing any work for Industry and Tourism or any of those ministries?

Hon. Mr. Snow: Yes, we would be doing some of the printing for Industry and Tourism. We do some of the printing for all the ministries really; we do all of the printing

for some ministries. This is the operation of the Queen's Printer office.

Mr. Young: Can I ask guidance of the chairman? I have an item in relation to visiting schools and services for visiting schools and I would like to know under which item this would naturally fall?

Hon. Mr. Snow: That would be item 9, legislative services.

Mr. Young: Item 9.

Mr. Chairman: Does item 3 carry? Does item 4 carry?

Mr. Ruston: What is special services? I have an item or two here to bring up and I am not sure what they come under. They have to do with the services when the Queen visited here, leasing and renting material for that occasion in front of the building. I am not sure if that would come under legislative services.

Mr. Chairman: I would say it would, wouldn't you, Mr. Minister?

Mr. Ruston: I think it would.

Mr. Chairman: It would be item 9.

Mr. Ruston: Okay.

Mr. Chairman: Does item 4 carry then? Item 5, the member for Kitchener.

Mr. Breithaupt: Mr. Chairman, I have a couple of questions to ask with respect to the translation services carried on by this ministry. It is interesting to note that in the 1972-1973 and 1973-1974 years, these estimates ranged from $250,000 to $280,000. We see in the current year the estimates are much less than half of what had earlier been planned for. Is that because some of these services have gone elsewhere or does it reflect a change in demand for the particular services?

Hon. Mr. Snow: If the member would look on page G-49 under translation services, he will see that the budget is $340,000, less recoveries from other ministries of $227,000 with a net cost to our ministry of $113,000.

Mr. Breithaupt: Does that mean you did not recover the amounts in earlier years but you are trying to balance this out among the users at the present time?

Hon. Mr. Snow: That's right.

Mr. Breithaupt: Thank you.

Mr. Chairman: Item 5 carried. Is there anything before item 9?

Mr. Breithaupt: On item 6, Mr. Chairman.

Mr. Chairman: Item 6.

Mr. Breithaupt: There were some comments and questions asked in the House with respect to the clipping services. As I recall, the minister made a comment that not only was this staff being moved, I believe its total services are being decreased and services otherwise provided, more generally to the civil service or as I recall it to the press gallery, are now no longer available as they were before. As I recall what the minister said or what was said in answer to questions of the ministry, the service to continue to be provided would be for the members of the Legislature and directly to the ministries; is that correct? Perhaps the minister could tell us generally what is being done.

Hon. Mr. Snow: The previous press clipping service supplied a service right across government really — to ministries, boards, commissions, members of the Legislature, the Premier's office, the Lieutenant Governor's office and so on.

We have done a considerable amount of research on this press clipping service in the last year or two, surveying all the client ministries on the use of this service, and it has been decided it is really not a necessary service for the ministries. Many of the ministries have other methods of obtaining their press clippings and it was decided to continue the service but decrease it to supplying only the members of the Legislature, the Speaker, the Lieutenant Governor, the Clerk and so on.

For the present time it would remain a part of my ministry, but depending upon what comes out of the Camp report No. 2 and the operation of the legislative library, it might be decided in the future that the press clipping service would be operated as a service for this building and the members through the legislative library.

Mr. Breithaupt: So, effectively then, this service is to be really a service to the Legislature as such, because the ministries presumably have their own sources of people who are taking care of press clippings that relate to their own interests?

Hon. Mr. Snow: Yes, the ministries need such a diverse range of services. I think our press clipping service does a pretty good

job. I know I get a number of clippings from them and I have never had any complaints about the service that I have received, other than they don't clip the weekly newspapers. But it is always a few days after an article appears before you actually get the report. I think in some cases the ministries find they have ways and means of getting things quicker on certain items.

We were having a duplication of services and it was decided at the Management Board level that this action should be taken.

Mr. Chairman: The member for Thunder Bay.

Mr. J. E. Stokes (Thunder Bay): Yes, I must apologize, Mr. Chairman, I couldn't get up from the committee on time. I understand that my friend from Kitchener raised the matter of translation services for members and it just passed. Could the minister elaborate on that and say what the status is on translation services for the members?

Hon. Mr. Snow: The status of the translation services is just as I explained to the hon. member before.

Under many of our programmes, the services supplied by my ministry are on a chargeback basis, where we carry out the service for all ministries but charge them for the service. The translation service is now one of the services that we charge back for. We recover it from other ministries. As far as the translation service for members of the Legislature is concerned this will continue, and we have recommended that it be charged to the Speaker's vote like other services we supply to members of the Legislature.

Mr. Stokes: So there will be no problem with that as far as the members are concerned?

Hon. Mr. Snow: No. It was never intended, Mr. Chairman, that there be any charge to the individual member. There was some consideration as to whether there should be a charge to the caucus offices, the way certain other services that my ministry supplies are charged to the caucus offices and come out of the allocation of funds to that particular caucus.

There are other services that come through the Speaker. The decision hasn't been made on this yet, but our ministry's recommendation is that the translation services for all members on all sides of the House be charged to the Speaker's estimates.

Mr. Stokes: Thank you.

Mr. Chairman: Any further comment on item 6, vote 704?

Mr. M. Gaunt (Huron-Bruce): Just on a matter of clarification, Mr. Chairman; am I to understand from the minister's comments, both to my colleague the member for Kitchener and during the question period, that the press clipping service is to remain intact insofar as the service to the Legislature is concerned—to the ministries and to the members—but that beyond that the minister is going to farm out the responsibility of the press clipping service to a private company?

Hon. Mr. Snow: No, we have no intention of farming out the press clipping service to a private company. We are continuing to operate the press clipping service at a reduced scale. Certain other staff will be transferred to other duties within the ministry and we will continue to supply the service to the members of the Legislature.

But we found that we were duplicating a service to many of the ministries, boards and commissions, and there was no sense in doing this. After a survey of all the different users of the service, we found the members of the Legislature and the Premier's office and the Lieutenant Governor's office and what not, found the service to their satisfaction and very useful, and we are continuing the service in that area. Many of the ministries found they were not completely satisfied with the service or they were obtaining much the same service through some other route within their own ministry and were not prepared to go for this service if it was put on a chargeback basis. This was reported to Management Board, the decision was made to continue the service on a reduced scale for those who really found the service useful, and that is what we are doing.

Mr. Chairman: Is item 6 carried? Any comment on any of the items prior to item 9?

On item 7, the hon. member for Yorkview.

Mr. Young: On the matter of vehicle repair and trucking services; the figure given here is a net figure and the cost of the repairs that are being done is largely recovered from other departments. Could the minister tell us how extensive this repair service is? What proportion of the vehicles owned by government are in effect repaired by this service?

Hon. Mr. Snow: Mr. Chairman, one of the items that comes to my attention is the ambulance service of the Ministry of Health. Their ambulances are looked after at our facility at Mimico. When a new ambulance vehicle is purchased and new equipment has to go on to it and so on, that is where it is done. Of course, we have our own fleet of trucks—for delivering the mail, the trucks that you see around this building ploughing the snow and delivering the flowers that the gardeners use, and so on. This is our own fleet.

We are not involved with Transportation and Communications' fleet; they look after their own. We are not involved with the OPP; they have their own garage down on Lakeshore. It is basically our own trucks and vehicles, the vehicles for the ministries that have a small number of vehicles and the ambulances for Health.

Mr. Young: It simply means that the recovery is from the other ministries not related directly to Government Services?

Hon. Mr. Snow: Right.

Mr. Young: The proportion of vehicles operated by the province then would be pretty small; the vehicles involved here that is?

Hon. Mr. Snow: Yes, I think that would be right.

Mr. Young: We have no estimate or percentages at all?

Hon. Mr. Snow: No; I mean the number of vehicles we have is very small compared to Transportation and Communications, for instance.

Mr. Young: Yes, but Transportation and Communications have their own repair service within their department?

Hon. Mr. Snow: They have them all over the province, Mr. Chairman.

Mr. Young: Right. So they would have a mixture, I suppose, of self-repair and contracting-out repair, that sort of thing? But that doesn't involve your estimates at all?

Hon. Mr. Snow: The OPP, for instance, have their own garage in Toronto, but if there is an OPP constable stationed at Hearst he doesn't bring the car back to Toronto to get the tire changed or something, he gets it done at a local service station.

Mr. Young: Right.

Mr. Chairman: Item 7 carried?

Mr. B. Newman: May I ask the minister if in performing repairs on the vehicles the minister's department insists on the pollution control devices being always in the maximum state of repair?

Hon. Mr. Snow: Oh I am sure they are, Mr. Chairman. In fact some of our own vehicles have been converted to propane gas. I don't know what percentaage of our vehicles are on propane, but certainly we are experimenting. I don't know how many of them are still on propane or have been taken off, but we had a propane tank set up at our Mimico yard for filling the vehicles. We had some of the vehicles converted to propane experimentally as a pollution control measure.

Mr. B. Newman: Has the experiment proved to be very successful so that the ministry could recommend it to other ministries?

Hon. Mr. Snow: Apparently it worked out quite satisfactorily for short-range vehicles working locally, but for highway vehicles and vehicles that were all over the province it wasn't that satisfactory.

Mr. Chairman: Items 7 and 8 carried? Okay.

Mr. Young: On item 9, Mr. Chairman.

Mr. Chairman: The hon. member for Yorkview.

Mr. Young: Mr. Chairman, the member for Riverdale (Mr. Renwick), who is otherwise engaged in House business this morning asked me to raise a matter with the minister in connection with the visiting schools and the information which is given to them. I might quote a few paragraphs from correspondence which took place between the hon. member for Riverdale and the ministry.

The correspondence was concerning the packet of information given out to the schools and the first letter from Mr. Renwick to the ministry was March 8, 1973. Part of the letter is this:

> While there are two brief references to the role of the opposition in the assembly, nevertheless I do not think the material which has been prepared conveys any sense of the basic ingredient of our parliamentary democratic system, and that is the public, open debate and discussion in a controversial forum of all public business. To me, the material conveys no sense of the vitality of the assembly as

the public body in which, in public, openly and in a controversial sense, discusses public business in all its aspects.

Believe me, I'm not making this suggestion with respect to the publicity attendant to the New Democratic Party as an opposition party but, because I am satisfied that is the essence of our system, to make students understand the vitality of a forum, namely the assembly, in which the business of the province is discussed and considered.

I would therefore recommend that the descriptive material with respect to the processes of the House be rewritten to emphasize this aspect of government business.

On March 26, the reply came to Mr. Renwick and part of the letter reads as follows:

This booklet was intended to be a brief and simple first step in sketching the outline of how the government is organized and the way in which it functions. I think it fulfills this purpose very well, but is certainly only a first step. Your suggestion that the book fails to do justice to the assembly is quite true but I don't think this is a subject that can properly be handled through a simple rewrite of part of this very modest volume. Rather, I hope to have developed within the next few months a piece that focuses on the vital processes of public debate and discussion which, as you point out, is the basic ingredient of our democratic system.

The minister goes on to discuss what form this might take and I don't think that I need to read these paragraphs. This is the final paragraph:

I only mention this to indicate that we are giving the subject serious thought and I would appreciate any comments you may have on what sort of an approach we could take with the project.

Mr. Renwick wrote again and said, "I have read with interest your plans and it may well be we could spend a useful few minutes during the course of your estimates on this very situation."

These letters are from March and April, 1973. That is over a year ago and the member was rather concerned that so far we have had very little results from them.

I do want to commend the ministry on one of the problems I had some time ago. I brought to the attention of the minister that visiting schools had photographs taken only during the session. Many schools which came between sessions did not have pictures taken and they were very disappointed because of this. In my own case we had large numbers of schools coming down between sessions. When I brought this to the attention of the present minister, he hadn't been aware of this gap in the service and immediately that was rectified. I want to express my appreciation and my gratitude for that rectification because I think it's very important that the children who come do have pictures to take back. They take great pride in these pictures and if there is no picture taken when they come there's just a gap in this whole service. That has been rectified and, as I say, I want to express my appreciation.

On this other matter of the literature which is handed out, my colleague has been concerned about this, has written about it and has had some assurance that the minister is going to rectify that situation. There's no question that his point is a very valid one. We should give to the young people who are coming here, particularly when they can't get into the chamber—as many of them can't because of the time factor of their visit—some sense of the cut and thrust of the debate, the part the opposition plays in this whole process and something of the vitality and the strength of the Legislature and the debates that occur here.

I would like the minister to comment on this correspondence, which is now over a year old and perhaps to give us some idea of the progress that is taking place in this review.

Hon. Mr. Snow: I am sorry, Mr. Chairman, I'll have to look into that particular matter. I recall the correspondence with Mr. Renwick, and his point was rather well taken, although I thought one of the brochures that we had put in the kit did explain to some degree the parliamentary process that goes on in this chamber. I certainly wouldn't want to put in all the things that go on in this chamber, because I don't think it would be a good influence on our young people.

I was quite concerned, shortly after I became minister and responsible for this area, with the information that was being given to the children who visited us at the time. It was, as you all recall, a brown paper envelope, and it seemed to me to a great extent to be made up with any kind of a surplus piece of literature that any ministry or organization had left over. If they had surplus literature that was outdated or something, they would ship it over here and put it in the kids' envelopes.

Mr. Young: This is better; this is okay.

Hon. Mr. Snow: I got one of the envelopes and looked at this stuff and I thought, my God! We have got to do something better than this. Immediately we started to prepare the different new documents that are in the brochure. There is a little plastic litter bag printed up and a little coin with the picture of the Parliament buildings on it as a sort of keepsake. I think really there has been a great improvement in the calibre of material we now give the visitors to the Legislature.

I am not saying this is all we can do. We can always improve. I have an idea that perhaps because of some change in staff this may not have been followed up the way it should have.

Mr. Chairman: The hon. member for Parkdale would like to rise on a point of personal privilege for a minute.

Mr. J. Dukszta (Parkdale): Thank you. I would like to introduce to the House a school from Parkdale riding, the Holy Family School, with Mrs. Clach, the teacher. They are sitting in the east gallery.

Mr. Chairman: The hon. member for Kitchener was on his feet.

Mr. Breithaupt: I have some questions to ask with respect to item 9, Mr. Chairman.

Mr. B. Newman: I wanted to talk on item 9.

Mr. Lawlor: Mr. Chairman, I have something with respect to legislative services.

Mr. B. Newman: Mr. Chairman: I wanted to commend the ministry for the change that has taken place. There can be more substantial changes made, but I can recall back last year and the year before levying strong criticism at the content. Just as the minister mentioned, they were the discards from the other ministries. In fact one of the circulars that was in there actually came from the Ministry of Health with the former Hon. Matthew Dymond as Minister of Health.

There has been a marked improvement, but there is still room for more improvement in the content of material. I think you should probably package it in two different ways, one that would be geared for the elementary school and then one that would be geared for secondary school students. It's a big improvement and it is generally appreciated by the students who visit the Legislature.

Mr. Chairman: The hon. member for Lakeshore. Are you on item 9?

Mr. Lawlor: Yes. Has the minister control over any sort of library with respect to distribution and retention of movies made through the auspices of this government?

Hon. Mr. Snow: No, this is a film library you are referring to, I believe. We have discussed the possibility of perhaps trying to bring together the films that are available throughout the different ministries. The Ministries of Industry and Tourism, Environment, Natural Resources and many others have films relating to their ministries. I personally would like to see these more available, but each ministry makes them available separately.

Mr. Breithaupt: Further to that point, Mr. Chairman, would it not be a reasonable idea to have at least an index of the current films that all the ministries have available in the legislative library? If that could be done, and I would think done quite simply in a loose-leaf form of book, then at least members would be aware of a source they could go to if they were asked to make films available to groups within their own ridings that had particular interests in certain specific projects or ministries of the government.

Hon. Mr. Snow: We were thinking, Mr. Chairman, of the possibility of having a film library through the Ontario government bookstore where all the films would be available in that way, but I forgot the complications that we ran into, partially due to space in the store I believe. As you know, we do have the index of government publications that I think comes out monthly and I think a similar index on films that are available would be very worthwhile. I'll certainly investigate whether we can get the other ministries to co-operate on his.

Mr. Chairman: The hon. member for Lakeshore.

Mr. Lawlor: Mr. Chairman, I just want to have a private little tête-à-tête with you this morning.

As a neophyte around here, as a callow young member of the House, I was engaged some years ago, along with the member for Huron-Bruce I believe, and the member for York East—who has gone on to better things—on a committee to arrange a film showing and depicting the vitality in its extreme of the life of this Legislature. We spent many weeks and hours on it. I think we were so touched by megalomania in the process that

each one of us—Arthur Meen particularly—felt that he had become a Cecil B. DeMille in genesis, so to speak, and we gave much of our time. We tried to hire Lister Sinclair; but he turned us down. Well, it went on apace.

Finally, after many revisions and destroying many directors, we got this film into operation. It started off at $27,000 and we ended up well within the budget at $33,000. And with that in mind, what happened to it? I never heard another word about the thing from that day to this.

Mr. Breithaupt: Mr. Chairman, that is a simple enough thing—the censor wouldn't allow it.

Hon. Mr. Snow: I don't know where the member has been. That film has been around for some time. I don't know how many copies we have. I forget the title of the film, was it "Your Member of the Legislature"?

Mr. Breithaupt: I am sure the censor wouldn't pass it.

Hon. Mr. Snow: In any case, I know we have copies available through my office, and I think through the caucus office; I was sure the opposition caucuses had them also.

Mr. Lawlor: Then you do keep some kind of library of some films?

Hon. Mr. Snow: This was a film that was produced for members of the Legislature to show in their ridings and I know we have copies of this particular film.

Mr. Lawlor: Did anybody ever use it?

Hon. Mr. Snow: Oh a great many times. Many of our members have taken it to show at schools in their ridings.

Mr. B. Newman: That's the first time I have heard of that.

Mr. Lawlor: That's very gratifying. I will shut up for the rest of the day.

Hon. Mr. Snow: Another thing that we implemented was this tape to the schools. I'm sure you are familiar with that. There was a letter sent out to every member. You can make out a tape and when one of your schools makes a booking to come to visit the Legislature; and a copy of this tape goes out with your 10-minute message explaining to the students what they can look forward to—or whatever you want to say on it really—when they come to the Legislature.

I think this has helped, because I know when students come in from my own riding they will arrive here and they will say they had a period ahead of time when they listened to the tape and so on. I think this has been a big improvement in communication with the students.

Mr. Breithaupt: Mr. Chairman, following the comments from the member for Lakeshore, I think that strengthens my earlier request that some kind of a central index be at least available in the legislative library so the availability of gems such as the one in which the member participated could be more readily known to the other members.

I don't think we require a central distribution or a central control, but if members knew where a film could be obtained, and there must be several hundred films I would think in various ministries, this would probably be a great help to our constituents.

Mr. Chairman: The hon. member for Yorkview. Does the hon. member have question on this?

Mr. Young: Mr. Chairman, I was just going to ask the minister if he had any estimate of the extent to which the pre-visit tapes are being used. I find it a very useful instrument and all the schools that come from my riding, as in the case of the minister's, do get those tapes; but I wonder if that is widely used and whether it should have a bit more promotion, if necessary?

Hon. Mr. Snow: Certainly it is available to every member of the House, and when this programme was implemented I sent a letter out to every member. Maybe there should be a follow-up. Obviously some members have used it; others may have not bothered.

It is a small cassette. If you go down to the recording studio in this building the operators will make a master tape of your message and then they re-record off the master tape onto cassettes. Then a cassette is mailed out to the teacher or the party in charge of the school group that is coming in.

Of course every school has a cassette player and after it is sent out I presume it may be kept or it may be thrown away. It is a small cost and once you have made your master tape then as many cassettes as are necessary for the groups that come in can be taken off it.

Mr. Young: Yes; I was just wondering, Mr. Minister, with human memory being what it is and with the tendency of members to go through a lot of paper and discard it pretty quickly, whether a reminder of some of these things might be wise at certain

intervals so that members will have their memories refreshed and so perhaps there will be a little more activity of this kind.

Hon. Mr. Snow: I assure the hon. member that I haven't forgotten about it.

Mr. Young: Perhaps we should do it within our own caucuses, I don't know.

Hon. Mr. Snow: Some members may have forgotten about it and we could easily send out a reminder, that would be very simple.

Mr. Young: I would undertake to do it within my own caucus and I think perhaps it should be done.

Hon. Mr. Snow: I think if the two opposition House leaders, or the hon. member on behalf of his party, were to remind their caucus at the next meeting that would be the best way of handling it.

Mr. Young: Right, fine.

Mr. Breithaupt: I am glad to undertake to do that.

Mr. Chairman: The member for Essex-Kent.

Mr. Ruston: Mr. Chairman, I wonder if I could ask a question under this vote regarding the official visit of the Queen here last year? A number of articles were put out in front of the Legislature—platforms and so forth—and I noticed an article in the Globe and Mail on April 27 about a carpet the Queen walked on. It has been cut in 200 pieces and the hon. member for Dovercourt (Mr. G. Nixon) presented one of the pieces to the opening of a new apartment in that area.

Mr. Chairman, I was under the impression that this carpet was rented, but apparently it was not, it was purchased. Where is the rest of this famous carpet now?

Hon. Mr. Snow: Mr. Chairman, the stand, the roof and all the regalia for the royal visit was rented, including the carpet. The carpet was new carpet that was put on the stand—a red, shaggy carpet. The decision was made after the royal visit was over that this carpet should be kept.

As it had been rented, we obtained a price from the rental company to buy the carpet. The carpet was purchased I think something like $1,500 or $1,600. It covered a large area; all down the steps and so on was covered with this carpet. Through one of the community colleges this carpet was made into small pieces—bathmats, that type of thing—each with a label on the back. Well the pieces were about the size of a bathmat I would say; they were oval, and a label was put on the back stating that this was the carpet that was used by the royal visitor. I can't tell you where they are at this time.

Mr. Ruston: You can't tell me? Then who has the responsibility for this? If this was going to be cut into 200 different pieces, who has the responsibility? I see one was presented to a home for senior citizens to be hung up on the wall, but it seems to me we should know where this is and the purpose it is going to be used for.

Each member was to be given a portion of carpet, although I don't know if that's what they had in mind. Perhaps it is going to be used by the government members on special occasions. As the writer says in the Globe and Mail, it's spreading political fertilizer; I guess that's about what we are doing, but I am concerned about this matter.

Hon. Mr. Snow: Maybe it's what you are doing, I don't know.

Mr. Ruston: Pardon?

Mr. J. Riddell (Huron): We have all got senior citizens' units, you know.

Mr. Ruston: But you can't tell us where the rest of this carpet is. Is that right?

Hon. Mr. Snow: No, I can't tell you the physical location or how many pieces of carpet have been presented to anyone. I know the idea was to have them made up as mementos of the royal visit for such things as senior citizens' residences. Every new senior citizens' building has a common room and card-playing room, usually with a TV, chesterfields and what not, and I know many of our senior citizens would very much value having one of those for such rooms.

Mr. Ruston: I don't object to that, now that we have it and it's been purchased. If we had had to rent it, it probably would have cost almost as much anyway. But I think we should know where it is and if the pieces are available for senior citizens units throughout Ontario. That's all that concerns me now.

Hon. Mr. Snow: Well, the carpet was purchased through our ministry; it would be part of the total cost of the royal visit, because no doubt we got some credit for the rental of the carpet when we did buy it. To my understanding, one of the community colleges—I am not just sure which one—did

the work as part of one of its programmes; they cut up the carpet and put the frills around it. The carpets, I understand, are stored in this building and are under the control of the Premier's office.

Mr. Chairman: The hon. member for Kitchener.

Mr. Breithaupt: Mr. Chairman, to follow up on these royal bathmats referred to by the minister, I wonder if we could find out just what the rules are for the provision of these items, or how they are available.

Is it the minister's view that we should contact the Premier's office with respect to this? One would think if the minister is going to be sending a reminder as to the use of the school tapes, which I think are most worthwhile and of which I took advantage, perhaps some information could come to us as well about this kind of an item, which I think would have interest in senior citizens' homes in particular.

I realize there's no guarantee that Her Majesty or anyone else actually stepped on the corner that the senior citizens' home might receive, but I think it is a souvenir, and as such is of interest to many of our people, and properly so. But I would hope that the minister could enlighten us as to what the terms and conditions are for the granting of this item of largesse or the making of it available to the members. If the minister wishes, of course, then we could inquire of the Premier's office.

Hon. Mr. Snow: I think we can get that information. I can't tell you at the moment what the process is for getting one, but the main purpose of them is something along that line.

Mr. Chairman: Shall item 9 carry?

Mr. Breithaupt: One other matter on item 9, Mr. Chairman, and it is rather a personal one. I don't know whether the pigeons around this building are considered as legislative services, but it appears to me that we have spent a substantial amount of money on the renovation and restoration of the outside of this building. The building is indeed a very handsome one, and it is rather disappointing to go out to one's car, or to look at the window sills and the various other parts of the building, and find that a certain amount of anointment has gone on from these pigeons.

I don't expect that they come under legislative services, but I don't know where else they might come or what responsibility the minister has—

Hon. Mr. Snow: It would be a natural resource.

Mr. Breithaupt: Well, perhaps pigeons could be considered a natural resource, but I am not being entirely facetious in this, Mr. Chairman. I think that the excellent work that was done on the outside of this building, the cleaning of it, the pointing of it and the making of it into a very attractive and handsome landmark is to be commended. It is even nice to see the ivy starting to climb up the walls again following the unfortunate but, of course necessary cutting off that had to be done a year or so ago.

It seems to me that perhaps some consideration could be given to some kind of a programme, short of a massacre, that would possibly deal with this particular problem. It is rather unsightly and I am sure the minister will agree it does take away from the aesthetic part of the building. I would appreciate it if the minister has any thoughts or if he knows what can be done to deal possibly with this minor nuisance.

Hon. Mr. Snow: I would suggest perhaps that we have pigeon pot pie as a special on the menu in the legislative diningroom for a few days.

Mr. Breithaupt: Unless I get my car space moved, I would be glad to provide that item, perhaps. I think, Mr. Chairman, rather than go the distance of having Joe Dineley go after them, we could give some thought at least to some kind of a cleanup which would make the place look the way we all intended, I am certain, which is a nice clean landmark.

Hon. Mr. Snow: We have always had pigeons and I am pretty sure that, outside some drastic action, we always will have. I don't think they are really doing any material damage at all to the building.

Mr. Breithaupt: No, I don't think it is material damage but it is a bit unsightly, as I am sure you will agree, Mr. Minister.

Mr. Chairman: Item 9 agreed to.

We interrupt for just a moment. The member for Windsor-Walkerville has an announcement.

Mr. B. Newman: Mr. Chairman, in the absence of the hon. member for Nipissing (Mr. R. S. Smith), I would like to bring to the attention of this legislative assembly

that seated in both galleries, east and west, are some 100 students from North Bay. The school is the Cité des Jeunes School, and they have supervising them Sister Lise Denis and Mr. Simon Brisbois. I know the members of the legislative assembly cordially welcome them.

Mr. Chairman: Are there any questions or comments on item 10? Items 10 to 12 inclusive carried. On item 13?

Mr. Breithaupt: On item 13, Mr. Chairman, I would like to hear from the minister as to how the citizens' inquiry branch is working out. I see we have an increase, of course, in the budget and the last two years have been the two years in which this has been operating.

I wonder if the minister can advise as to how he sees this programme and whether it is the intention of the ministry to continue it? I know various members have received copies of correspondence or inquiries which have been directed generally and have become the more particular interest of a member, depending upon the riding or depending upon the member's interest if he or she had been involved earlier in the particular concern the constituent was bringing forward.

Are you satisfied with the operation and can you advise us if it is being well used and is a useful additional item to supplement the services which are given otherwise by the civil service, and more particularly, by the individual members?

Hon. Mr. Snow: Yes, Mr. Chairman. I think the citizens' inquiry branch is working out very well. When we started this about two years ago, it was an experiment; it was something new. We said at that time that we were not going to set up another bureaucracy, another Information Canada, that probably cost the taxpayers a couple of hundred million dollars or some such ghastly figure to operate. Our budget has gone up from $148,000 to $167,000 but I think for that small amount of money we are getting a great service.

Just as an example, I would like to read a couple of paragraphs of a letter I got from someone whom I never knew or heard of before—a Mr. Hunt—who lives here in Toronto. This is dated May 7, 1974, so it was just received a week ago. He writes:

> Please allow me to congratulate you on the job done by your citizens' inquiry branch. Not only does it do its job speedily and efficiently, but displays facts, courtesy and patience to boot. In these days of frustration and chaos for politicians and public alike, this sets an example which business and other governments and their departments would do well to emulate.

I won't go on. It is a page-and-a-half-long. But that is the tone of the letter and I think that speaks as well or better than I can for the branch. This is not the only such correspondence or feedback that I have had regarding the citizens' inquiry branch.

Mr. Breithaupt: Can the minister advise us of the number of staff members in this inquiry branch and the number of inquiries which they handle on a monthly basis on average?

Hon. Mr. Snow: This has been answered two or three times. There is a complement of 10 I believe. The leader of your party wrote and got all the information. The member for Rainy River (Mr. Reid) has a question on the order paper that has been answered with all that information, plus every member of the House gets a monthly report on the number of inquiries.

Mr. H. Worton (Wellington South): No, not recently.

Hon. Mr. Snow: I am surprised you would ask the question.

Mr. Breithaupt: The question was asked because I wasn't aware of the correspondence.

Hon. Mr. Snow: I am afraid you don't read your mail very carefully.

Mr. Breithaupt: No, I wasn't aware of the correspondence my leader may have had with you, but I was just interested generally. I think, as I have said, that the inquiry branch is providing a very useful function; that it is attracting requests for information from a person who might not know where else to go; and that indeed is a very commendable thing. The point of my question was only to get a general idea as to the volume. You have certainly answered the first part.

Hon. Mr. Snow: It is about 1,300 to 1,400 inquiries per month. I would point out that that complement of 10 is not all really with the branch, although we have put them under that group now. The group includes the girls at the information desk in the Whitney Block and Macdonald Block, but not the tour guides in this building, who are under legislative services. The information girls in the different office buildings are part of that complement and are under the supervision of the citizens' inquiry branch.

Mr. Chairman: Anything further on this item?

The member for Ottawa Centre.

Mr. Cassidy: Thank you, Mr. Chairman. I wonder whether it would be possible, since we have been jumping around a bit this morning, to go back to questions about employee benefits which are also in this general vote. I would like to ask the minister what progress has been made—

Mr. Chairman: I understand, Mr. Cassidy, that this has passed.

Mr. Cassidy: Yes, I know. But, Mr. Chairman, we have jumped back a couple of times I understand, and I imagine we could do that again.

Mr. Worton: No, we haven't.

Mr. Chairman: It is item by item, I am told, on this vote.

Mr. Cassidy: I understand it was the member for Thunder Bay who came, requested and was granted permission to go back. Now that you have taken advice from the Clerk, I presume this is all right.

Mr. Chairman, I wanted to ask the minister for a statement on the present discussions with the CSAO concerning the benefits package and the tendering of it to groups other than the London Life consortium.

Hon. Mr. Snow: Mr. Chairman, this is under the jurisdiction of the Chairman of Management Board (Mr. Winkler).

Mr. Cassidy: It is under this particular minister's spending though, is that not correct?

Hon. Mr. Snow: Yes.

Mr. Cassidy: Can you not give us some kind of a statement then? What do you do? Do you simply handle money for everybody else?

Hon. Mr. Snow: You come barging in here for two minutes and start making statements like that. I would like to know sometimes what you do.

Mr. Cassidy: I represent my people in Ottawa Centre and pick up for government members who don't mind their people in eastern Ontario.

Hon. Mr. Snow: That'll be the day!

Mr. Cassidy: You watch the next election and see what happens in eastern Ontario.

Mr. Chairman: Order please.

Hon. Mr. Snow: We do carry the funds in our budget to pay the money into the Public Service Superannuation Fund and the employee benefits package, the unemployment insurance, all these matters. But the responsibility for the settlement or the negotiations or the rates is not part of this ministry.

Mr. Cassidy: Okay, Mr. Chairman, I think it is curious that the minister can't even comment on things that are in his estimates. However, we'll raise it under Management Board when it comes.

Hon. Mr. Snow: I might also add that the funds that are paid into these areas under our vote are generally recovered from the operating ministries.

Mr. Cassidy: Yes, it's this mindless conduit function that one saw when we were discussing land. This seems to be the case in these benefits as well and that rather bothers me.

Mr. Chairman, returning to the vote that we are on right now—

Mr. Chairman: Item 13.

Mr. Cassidy: Item 13, that's correct, yes. The juxtaposition with the telecommunications budget just previous to this is interesting, because I'd like to know from the ministry what steps the government has prepared in order to give access to government information, such as is provided by the citizens' inquiry branch, for people who are not within the calling area of Metro Toronto?

Hon. Mr. Snow: If the member is referring to Zenith numbers, or something like this, we have not implemented this service at this moment.

Mr. Cassidy: Can the minister say then what are the government's intentions, because I guess there are about three-quarters of the population of the province that cannot pick up the phone and call the citizens' inquiry branch, from my riding in particular. It may be that it's well served by my office and myself, but—

Hon. Mr. Snow: Ho, ho!

Mr. Ruston: Why not call the member?

Hon. Mr. Timbrell: That's why.

Mr. Cassidy: The record I have seen has indicated that in the last 2½ years no more than about three or four inquiries from the riding of Ottawa Centre have reached the citizen inquiry branch. Now clearly, as far

as my particular area is concerned, they might as well forget it. It is simply a waste of their money in terms of service to the people in Ottawa Centre. I am sure that is true of a number of other members who have ridings distant from Toronto, and yet they are citizens of the province like everybody else and they are entitled to information, not only from their member, but also from the government. I don't dispute that particular position, but I do dispute that this service should only be freely accessible to 2½ million of the eight million people in the province.

Hon. Mr. Snow: Mr. Chairman, an eight-cent stamp will get the message of anyone in Ontario, I believe, to the citizens' inquiry branch. I would also point out that in many of the centres of northern Ontario there are the northern Ontario information offices, which do not come under this vote but are under the Ministry of Natural Resources. There are 20-odd of those offices spread through the communities of northern Ontario that basically give very much the same service as the citizens' inquiry branch does here in Toronto. I would agree with some of your comments. It is very seldom that I would agree with anything that you would suggest, but—

Mr. Cassidy: I appreciate that, yes.

Hon. Mr. Snow: —I would have to agree that in an outlying area where the member is well known there is not too much reason for someone to phone the citizens' inquiry branch. In the last two years I also had only three or four inquiries from my riding come through the branch that I have been notified of, but this is not the case in the general Metro Toronto area.

Mr. Cassidy: Then it raises the question, should the minister and myself and other people who have seen only a few inquiries really flaunt ourselves, or shouldn't we ask whether there is a serious problem in terms of the kinds of access?

One recalls, for example, the Legal Aid Plan and the discussion in this Legislature of the fact that Legal Aid had not advertised its services in all of its six or seven years, apart from the announcements at the very beginning of that particular programme. It doesn't make sense to set up a programme which is designed to reach the people who have difficulty in understanding the way the government works, and then restrict it to only one part of the province and hide its light under a bushel, if you will, by only having it here.

If you are going to do it you should do it with a will and that means make it available in other parts of the province. We are not just talking about Deseronto and Mattawa and places like that; we are talking about places as large as the city of Ottawa or the city of Windsor, communities of 200,000 or 300,000 or 400,000 people, where there is no clearly identifiable place for people to call.

Would it be too much, to begin with, for the minister this year to adapt the direct line service which now exists within the province and put in a number for the citizens' inquiry branch so that people within the Ottawa calling area, the Kingston calling area, the St. Catharines-Niagara calling area, Hamilton, London and Windsor, at the very least could pick up a phone and be connected with the citizens' inquiry branch here in Toronto?

What would the cost of that be? I don't think it would be substantial and I would suggest this would be part of a very desirable programme to make the services of the inquiry bureau available across the province. Perhaps you should do it also to begin with in Sudbury, Sault Ste. Marie, Timmins and Thunder Bay. After that, the year following, you could go forward with a Zenith number or some other form of access so that every citizen in the remotest corner of the province would have that access to government information.

Hon. Mr. Snow: This, of course, could be done, Mr. Chairman. It is all a matter of priority and of cost. There was some consideration given to this type of service although there are government offices of some type in almost every area of the province. Of course, the service in Toronto is equally available to the people from Ottawa, Windsor or Thunder Bay except there is the cost involved of a telephone call.

Mr. Cassidy: No. The law says rich and poor alike cannot sleep under a bridge. It is not equally available because of the toll charges.

Hon. Mr. Snow: It is equally available to all the people in Ottawa; they would all pay the same toll charge to call Toronto.

Mr. Cassidy: It is not equally available if they have got to pay $1.

Hon. Mr. Snow: As I say, this is possible; it could be considered. The Minister of Revenue (Mr. Meen), I believe, for his tax credit programme had a special Zenith num-

ber set up so that people from all over the province could phone for information regarding that particular programme. I would like to investigate what that service cost and whether it could be tied into the citizens' inquiry branch because I think the citizens' inquiry branch is fulfilling a very useful purpose. I just don't know what is the cost involvement or whether the usage we would get from it would warrant this tremendous expenditure but I will look into it.

Mr. Cassidy: What expenditure would be required? Has the minister made any studies?

Hon. Mr. Snow: I would say that if we were to put a special line in to all the centres as the member suggested it would be probably several hundred thousand dollars a year, but I am going to investigate and find out.

Mr. Cassidy: The minister doesn't know. I am sorry but the minister's arguments are really quite fatuous.

There are as many members per head of population in Toronto as there are in most other parts of the province. There are far more government offices in Toronto than in any other part of the province. Therefore, in his argument, the area that least needs the citizens' inquiry branch is Metro Toronto yet that is the only area where the service is provided.

To say that somebody on a modest income in Ottawa has equal access to the service as somebody living in Toronto is ridiculous because they are not allowed to use the government phone.

Mr. Ruston: They have to go to their riding and get people to call, probably.

Mr. Cassidy: There are members in the Toronto ridings so why not scrap the service entirely on that particular argument? It may have escaped the minister's attention but many people in the province cannot afford to pick up a telephone at a toll charge of $1 or $1.50 or $2.50 in order to call this particular branch. In areas such as Ottawa where there are other government offices they are confused.

Ottawa is particularly confusing because there are so many federal government offices as well as the provincial, regional, local and district offices of various governments and ministries. It just doesn't wash.

The fact that the minister hasn't investigated it seems to me, Mr. Chairman, is in a minor way a reflection of the whole concentration of this government on Metro Toronto. The minister, along with the Minister of Agriculture and Food (Mr. Stewart) has got himself a farm museum up at Milton, which I believe is in his riding.

Hon. Mr. Snow: No, it isn't.

Mr. Cassidy: And he is fine. He has been doing very well, thank you very much.

Hon. Mr. Snow: On a point of order, it is not in my riding.

Mr. Cassidy: It is near your riding then.

Hon. Mr. Snow: If you knew a little bit about Ontario you would know that.

Mr. Cassidy: All right, it is in your county. I will be up there in a week's time, and I'll find out more about it then.

Mr. R. F. Nixon (Leader of the Opposition): Oh, oh. Look out!

Mr. Cassidy: The minister has managed to get a farm museum for his particular county. There was no thought, apparently, to locating that farm museum in eastern Ontario or in western Ontario or in northern Ontario. Oh no, like Ontario Place and like the minitrains and every thing else it all gets put into this general area.

Mr. R. F. Nixon: Upper Canada Village is not.

Mr. Cassidy: What is it about the people in the rest of the province that you ignore their needs, that you feel that they can pay toll charges to call the government whereas the great city of Toronto, Metro Toronto, will have its citizens' inquiry branch? Why is it that you feel absolutely no concern about this? Why weren't you fighting the cabinet and trying to make it clear to them that you think the citizens' inquiry branch should be available across the province or else on principle you simply can't support its existing at all?

That is the position you should be taking if you really believe that this government should be accessible. But the government really believes that it should only serve the needs of Metro Toronto and the Toronto-centred region and then it will put a few crumbs off the table to the rest of the province—in this particular case if, as and when they can afford the toll charges.

Mr. Ruston: Mr. Chairman, on this same subject, it seems to me, having been in the telephone business a few years ago, that the

cost of putting in toll lines from all over Ontario, and I am sure the cost of the lines we have now, would be pretty high. It seems to me that we could have an agency in each major area of the government, and Community and Social Services would probably be the ideal ministry through which it should be done—and the Minister of Community and Social Services (Mr. Brunelle) is here. In my opinion most of the problems people have when they call have something to do with Community and Social Services generally. I would imagine that that ministry would be what the majority of the calls would concern. The government could then redirect these—

Hon. Mr. Snow: Most of the calls I get involve the Unemployment Insurance Commission.

Mr. B. Newman: I don't get one.

Mr. Ruston: What I was going to say is that that ministry then could redirect these calls to whoever the callers should deal with, rather than have a network of telephone service over the whole Province of Ontario. In my own riding there are nine telephone exchanges, but any person in my riding calls me free because I have a Zenith telephone in every one of those exchanges. The constituent just calls the operator, says, "Zenith 80510" and is connected to me. I have a service there so I am not worrying about what you do. I am available to them free of charge. It doesn't matter whether they live 50 miles from me or one mile, they all call me free.

But I would think that maybe what we should be looking at is a centre in each large area, every 50 miles or so—and it might be at a different distance in the north, but I'm thinking of southern Ontario—which perhaps should be directed through the Ministry of Community and Social Services—that would be the ministry responsible for these centres. There would be somebody there responsible for redirecting all these calls—for example, to the Workmen's Compensation Board or whatever it was—to see that they got into the right department. I think that would be more economical and the centres would be closer to where the people live. They could talk to someone close by.

Mr. Breithaupt: Just one further point on this item, Mr. Chairman. Can the minister advise us if there are facilities or there is an ability within the branch to deal with calls or correspondence in languages other than English and French? Do you have an ability in Metropolitan Toronto, for example, to deal with inquiries that might come from any one of our large number of citizens of Italian background who are particularly numerous in the Metropolitan Toronto area? How is that dealt with, just as a matter of information?

Hon. Mr. Snow: There is perhaps a limited degree of bilingualism within the small branch, but it would be dealt with like any other branch that would use the services of the translation branch.

Mr. Breithaupt: The translation branch to which we referred earlier has an ability to deal with other languages as well to resolve that particular problem, which no doubt is perhaps becoming a little more prevalent?

Hon. Mr. Snow: Yes. The translation branch deals with all languages. French is the most used but permanent staff within the translation branch are capable of handling most languages that would be used. As I understand it, if there is a particular language for which we may get a call for translation purposes for just the odd letter and we don't have that capability, we have contacts through outside services to get that letter done. We just don't keep a staff for every nationality.

Mr. Breithaupt: That is quite understandable.

Mr. Cassidy: One other final question: Do any of the staff of the citizens' inquiry bureau speak French fluently?

Hon. Mr. Snow: Yes, and Italian too.

Mr. Chairman: Items 13 and 14 agreed to. On item 15.

Mr. Breithaupt: I have just one question on item 15, Mr. Chairman. It has been, of course, the tradition of the government to be self-insuring. If there were particular losses, for example, in the unfortunate fire that took place in this building a week or so ago, these items were thought to be covered out of general provincial revenues, rather than paying an insurance premium that might be astronomic if all the assets of the government were to be insured in the usual sense. It is interesting to note that for the first time, at least certainly in these last three years that are set out in these estimates, we now have a certain estimate for insurance and risk management. I am wondering if the minister can advise us as to the reasoning behind the establishment of this particular item, so that we can inquire

as to whether there has been a change in the government's general policy dealing with self-insurance.

Hon. Mr. Snow: This is actually the implementation of the self-insurance, what we term our risk management branch. The insurance always was handled previously through the Ministry of the Treasurer. With the reorganization of government, this being a common service, we have assumed the responsibility for the administration of all government insurance. We self-insure for the normal perils of fire, hail, wind and this type of thing. We do not self-insure for liabilities. We carry liability insurance, for instance, on automobiles, on the GO trains, on norOntair and a general government-wide liability policy.

The duties of the risk manager of this small operation are to administer the policies of insurance that we do have and also to control the risk that we are leaving ourselves open to by being self-insured in this building, in other words, to make sure that proper precautions are taken to have the best type of fire protection equipment and to make sure that it is working and this type of thing.

Mr. Breithaupt: This is really a transfer rather than the implementation of anything that is new?

Hon. Mr. Snow: Well, to a stage it is a transfer. One or two persons in Treasury were doing this duty but it was just as a part of another operation. It wasn't an operation that could be transferred. I think we inherited one person.

Mr. Cassidy: What services do you buy for $70,000 and from whom under this item?

Hon. Mr. Snow: The $70,000 would be insurance policies that we would pay for that we do not collect back from other ministries.

Mr. Cassidy: Can you tell us what those would be then?

Hon. Mr. Snow: Not immediately. I could get that information.

Mr. Cassidy: Are they policies for assets of the ministry itself? In other words, are you just simply charging it to yourself?

Hon. Mr. Snow: I have just said in the previous discussion with the hon. member for Kitchener that we do not insure assets. We insure against liabilities.

Mr. Cassidy: Well, could the minister table an answer at some time on that particular point?

Hon. Mr. Snow: Yes, I can find out what policies are included, but we no longer carry fire insurance, wind insurance and so on. We are not insuring assets. With the broad amount of assets that we have throughout the province, we assume the risk and write it off against what it would cost us to insure. And I am sure we are saving millions of dollars.

Mr. Chairman: Shall item 15 carry?

Vote 704 agreed to.

On vote 705:

Mr. Breithaupt: Just a question or two on this particular vote, Mr. Chairman. I won't be particularly long. I am particularly interested, of course, in the computer services.

As the minister may well be aware, over the years that I was chairman of the public accounts committee, there was a general interest in the committee to deal with a view of the computer services that are available to government. It is hoped indeed that the committee may get to the point where the Provincial Auditor will have the time available to do a general review of the effective cost of computer services and the best manner in which those services should be provided to the government.

I notice with interest that this year the amount for these services is substantially larger than the moneys that were actually spent, either last year or the year before. Perhaps the minister could advise us as to why we have sort of a four-fold increase and whether the services now provided were provided in the budgets of other ministries, or whether this total is in fact a net increase?

Hon. Mr. Snow: Mr. Chairman, there has been a great change in the computer operations. Prior to April 1, 1973, there were four computer operations located in four different ministries—Treasury, Education, Health and Transportation and Communications. Before that, there was the Hospital Services Commission and OHSIP before they were combined into Health.

As of April 1, 1973, my ministry took over the responsibility for the central computer service, the one operated previously by Treasury. The other three centres remained in the three other ministries. As of April 1, 1974, we assumed the responsibility of the other three services. So all four computer centres are the responsibility of this manage-

ment and information services branch of my ministry.

This vote also includes, as shown in item 1, management consulting services; that is, our internal management consultants who do management consulting work for all the ministries within the government on a charge-back basis. Similarly, the two arms of the computer operation, the systems development branch and the computer services branch, both work basically on a charge-back basis, charging the client ministries for the work that we do for them. Of course, we do quite a bit of work for our own ministry, so we don't recoup our total loss.

Mr. Chairman: Shall item 1 carry? Carried. Item 2? Carried. Item 3? Carried.

Vote 705 agreed to.

Mr. Chairman: This completes the estimates of the Ministry of Government Services.

Hon. Mr. Timbrell moves that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

CITY OF OTTAWA

Hon. Mr. Timbrell moves second reading of Bill Pr5, An Act respecting the City of Ottawa.

Motion agreed to; second reading of the bill.

THIRD READING

The following bill was given third reading upon motion.

Bill Pr5, An Act respecting the City of Ottawa.

Hon. Mr. Timbrell moves the adjournment of the House.

Motion agreed to.

The House adjourned at 1 o'clock, p.m.

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No. 54

Ontario

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Tuesday, May 21, 1974

Afternoon Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, MAY 21, 1974

The House met at 2 o'clock, p.m.

Prayers.

Mr. B. Gilbertson (Algoma): I would like to take this opportunity, Mr. Speaker, to introduce grades 7 and 8 students from Hornepayne Public School. There are 60 altogether; and their teacher, Mr. Tymkin, is in charge. They have some chaperones with them as well. It's a privilege to introduce them to the House.

Hon. J. McNie (Minister without Portfolio): Mr. Speaker, I have the pleasure of introducing to you, and to the other members of the House, a group of some 50 members of the Hamilton Chamber of Commerce who are seated in the west gallery.

Mr. J. E. Stokes (Thunder Bay): Mr. Speaker, the members will find on their desks samples of amethyst, a semi-precious gemstone that is found in abundance in northern Ontario. We are hoping, as a result of this promotion, that was really started by the hon. Minister of Natural Resources (Mr. Bernier), that we will be able to get this gemstone designated as the official gemstone of the Province of Ontario.

Amethyst has been highly regarded for centuries because of its natural beauty. It was used as one of the gemstones of the high priest's breastplate in the movie "Exodus," and is one of the 10 foundation stones in "Revelations."

Mr. E. Sargent (Grey-Bruce): Wrong party there.

Mr. Stokes: Amethyst has since become the traditional birthstone for the month of February. It is found in abundance in northern Ontario and tons have been shipped to all parts of the globe, including England, Australia, Hong Kong, Japan and Hawaii. We are hoping that it will be the means whereby we can have an entirely new industry in northern Ontario. I hope all members will enjoy the samples that have been distributed here this afternoon.

Mr. Speaker: Statements by the ministry.

CNE TRANSIT DEMONSTRATION SYSTEM

Hon. J. R. Rhodes (Minister of Transportation and Communications): Mr. Speaker, for some weeks now we have been receiving tenders for the civil engineering construction pertaining to the transit demonstration system to be built at the CNE. As the members of this Legislature are aware, the costs of this project are divided into two components. The fixed price portion covers the cost of developing the vehicles and the control system. The costs of the civil engineering portion of the work are contracted on a cost-plus basis. The estimates of these costs, being received in the form of tenders, have been substantially higher than was earlier predicted.

On May 2, I indicated I would undertake a review of these costs before these contracts were awarded to ensure that all expenditures were essential to meeting the technology demonstration objectives. Members may not be aware that the civil engineering designs for the stations and guideway were provided to Krauss-Maffei by their civil engineering subcontractors.

The ministry has been involved in a design review with the subcontractors. The ministry does not, under the terms of the contract, have authority for the design approval of these structures as they must be integrated with the vehicle design and the control system. Our contract is a performance contract and the specifics of the design necessary to achieve these performance specifications are the responsibility of the developer.

Nevertheless, since the costs of the civil engineering portion of this work have risen substantially from the previous estimates provided to us, I asked the ministry's civil engineering experts to review these designs. I have since been advised by this staff of specialists in the ministry that with modification of the design a substantial cost reduction could be expected without reducing the effectiveness of the technical development programme, although some of the structural elegance may have to be foregone, specifically in the stations. This, how-

ever, would require an extension of the contractual time to allow for redesign. It is estimated the redesign would require some 3½ months by a combined team of ministry and developer's civil engineering expertise. This, of course, would delay the beginning of the test phase of the development by some three to four months.

Mr. Speaker, this project is a technical development project and will continue to require flexibility in our approach to it. While we are not anxious to accept this three to four month delay in the demonstration schedule, I want to balance my responsibility for the cost of this project with my earnest desire to carry out this development programme as quickly as possible. Therefore, I have authorized my deputy minister to advise Krauss-Maffei that we would be willing to consider granting them a three to four month time extension in the performance of their contract obligations with us, on the condition that the civil engineering structures undergo design modifications incorporating all of the possible cost reduction modifications. In addition, we have offered the use of eight civil engineering design experts, under the leadership of Dr. Jim Dalton, to assist Krauss-Maffei and their civil engineering design consultants to undertake this redesign.

Mr. Speaker, I am anxious to keep the cost of this experimental development project as low as possible. At the same time I am anxious to proceed with our development project as quickly as possible. These design modifications will allow us to take advantage of some cost reductions which can come from an additional engineering review and still achieve the basic research and demonstration objectives. In addition, this time period will allow us to accommodate some of the eight-week delay I indicated had occurred in the vehicle test programme. Therefore, the fact that these two components of the project can once again be co-ordinated makes it advantageous to provide this time to gain significant savings in our transit development experiment.

As I said, Mr. Speaker, this offer to grant a time extension has now been given to Krauss-Maffei and they have accepted it including the terms I've mentioned. Our expectation is that the civil engineering will continue at the CNE site shortly after this year's exhibition.

Mr. R. F. Nixon (Leader of the Opposition): Mr. Speaker, on a point of order, just before you call the next order of business, surely the Minister of Natural Resources has a statement to make on the flood situation in the Grand River and communities so affected?

Mr. S. Lewis (Scarborough West): I would have thought so too.

Hon. L. Bernier (Minister of Natural Resources): To answer, Mr. Speaker, the Premier and I have not had a chance to converse following his very extensive tour of the flood area. I understand the Minister of Agriculture and Food (Mr. Stewart) is in the area, so it is quite likely we will be getting a full report from them.

Mr. Lewis: That is not solving anything.

Hon. Mr. Bernier: I must say our conservation authorities branch is actively engaged with the local branch, assisting in every way it can.

Mr. Speaker: Statements by the ministry.

Hon. A. Grossman (Provincial Secretary for Resources Development): Mr. Speaker, on a point of order in respect to the last question, I should perhaps advise the House that the ministers involved met this morning. My colleague's not aware of it, but I reported to the Premier in the last half hour as to the reports from the various ministries. The Premier is coming in now—I'd be prepared to answer any question anyone has but I think it is only fair to let the House know that all of the ministries involved did meet and the report went to the Premier in the last half hour.

Mr. R. F. Nixon: Perhaps if I might—

Mr. Speaker: I shall again call the order of business: Statements by the ministry.

ONTARIO MANPOWER CO-ORDINATING COMMITTEE

Hon. W. G. Davis (Premier): Yes, Mr. Speaker, I have a brief statement.

In this decade, as during the last, this government will face the task of finding an increasing number of productive and self-fulfilling jobs for Ontario's labour force. Although the numbers entering the labour force today are not expected to reach the heights of the 1960s, the increase between now and the end of this decade will still be substantial.

According to the Economic Council of Canada statistics from late 1972, the national labour force is expected to grow annually by

2.8 per cent in the 1970s, a figure surpassed only by the 3.2 per cent annual increase of the last decade.

In particular, the impact on the labour force of women, young people and those between the ages of 25 and 34 will be an important factor in our manpower considerations. Also, as we move into the latter 1970s, the directions and priorities of government and the private sector will have to take into account the changing social and economic needs they confront.

This province has long recognized the importance of manpower policy in overall government planning, and to augment the effectiveness of existing programmes an Ontario manpower co-ordinating committee was organized earlier this year.

This committee brings together the deputy ministers of various ministries concerned with manpower, plus the Deputy Provincial Secretaries for Social Development and Resources Development. This was done because the government recognizes there are a great many dimensions to the manpower question that can best be served by a co-ordinated approach.

However, because of its importance in provincial affairs, I feel this committee should be headed by a member of cabinet. Accordingly, I have asked the Minister without Portfolio (Mr. McNie) to be its chairman.

With his experience as Minister of Colleges and Universities, with the ministry's direct responsibility for education and manpower training, and with 30 years' varied experience in the private sector previous to that, he is ably suited for this new task.

He will be assisted by a compact secretariat, whose job will be to co-ordinate and provide liaison between the various ministries concerned. Actual programme development and delivery will remain the responsibility of the operating ministries.

The chairman will serve as a member of both the cabinet committee on social development and the cabinet committee on resources development, since manpower is a subject that concerns both fields.

In its deliberations, the committee will follow what this government feels are a firm set of principles governing manpower policy.

Firstly, that there is a clear need to fully co-ordinate the activities of the federal and provincial governments in the field of manpower policy; secondly, that there is a need to more fully co-ordinate manpower activities within the various ministries involved in the Ontario government; and thirdly, that the training and education be related to both the social and economic needs of our citizens.

In conclusion, Mr. Speaker, let me say that this step further underlines this government's determination to make the best use of our human resources as we continue to promote the social and economic welfare of the people of this province.

Mr. R. F. Nixon: I wonder if the Premier might also make a statement as to his findings during his tour of the Grand River area this morning?

FLOODING IN WATERLOO REGION

Hon. Mr. Davis: Mr. Speaker, I visited two or three of the areas that were very seriously affected by the flooding over the weekend. I visited Cambridge, including the former municipalities of Galt and Hespeler, and I would like to report particularly on one aspect, Mr. Speaker, and that is the real enthusiasm and the commitment shown by the citizens in those communities in cleaning up and coming to grips with what for them was a very serious problem. I also visited some homes in the former community of Bridgeport and met with some of the residents.

In the brief trip this morning, I found that the damage was in fact quite severe in some areas. There's no question that some homes were seriously damaged; and a number of the commercial areas in the former town of Galt—small shop operations and so on—face very genuine hardships. Incidentally, Mr. Speaker, you would be particularly interested in the former community of Preston as well.

In Bridgeport, a number of residents were seriously affected. Their household belongings were damaged, and one or two homes, perhaps even more—I didn't have a chance to see them all—had some structural damage to them as well. The chairman of the region was with me, as well as the mayor of Cambridge and Mr. McLennan, the mayor of Kitchener. I told them that the Provincial Secretary for Resources Development would be co-ordinating the activities of the various ministries here and that we would be assessing this matter from the point of view of just what further help the government might be to them when we get more information from them.

Mr. Speaker: Oral questions.

The hon. Leader of the Opposition.

FLOODING IN WATERLOO REGION

Mr. R. F. Nixon: Thank you, Mr. Speaker. I'd like to ask the Premier if he is prepared to make any statement as to what financial assistance would be forthcoming, either directly to those people damaged or through the municipalities concerned?

Hon. Mr. Davis: Mr. Speaker, quite obviously this was a question asked by some of the people I visited this morning. Cabinet will be discussing this tomorrow. We hope we will have a fairly valid assessment of the extent of the damage, although I'm sure it will be a few days yet before there is any finality to it. It's possible that the Provincial Secretary for Resources Development will have some observations to make to the House on Thursday.

Mr. R. F. Nixon: Supplementary: I'd like to ask further of the Premier if in his tours this morning it was brought to his attention that many of the residents were, if not dissatisfied at least deeply interested in the role played by the conservation authority in flood water control? Would the Premier undertake, or at least give some consideration to the possibility of an investigation at the ministerial level—or better yet at an impartial level—of the role of the conservation authority in this regard; and giving particular emphasis to the comments made by the officials of the authority, that if the dam programme which has been in abeyance since 1966 had gone forward, there would have been at least a lessening of the damage?

Hon. Mr. Davis: Mr. Speaker, this matter was raised this morning. I think it is fair to state there were, shall we say differing points of view. Some suggest the problem would not have been as great if the existing dams had not been there. There are also some who argue, of course, that if there were more dams there would be less of a potential problem.

I discussed this, too, with the chairman of the region, and indicated to him we would be in touch within a day or so as to just how we might make an assessment of the role and functioning of the conservation authority; not just related to this particular incident but including some assessment as to whether there should be some further works undertaken that should be given greater priority than other works in the province. It's a very massive programme, of course, but this matter is already under consideration.

Mr. I. Deans (Wentworth): Supplementary, Mr. Speaker: I wonder if I could ask the Premier if he would consider a public inquiry into the role of the conservation authority, as per the letter I sent him earlier today? It would be for this reason: For many people their insurance, no matter what type of insurance they have, is voided under the "act of God" clause. Rather than an act of God, if in fact it was an "act of man" that created the problem, and if it can be proven that was the case, then for many the opportunity to claim through their insurance would be extremely beneficial.

Hon. Mr. Davis: Mr. Speaker, I really can't comment on what possible changes there might be in the law or insurance as they relate to this aspect. The member for Wentworth did communicate to me indicating he had been there—I think on Sunday if memory serves me correctly—and suggesting there be some form of inquiry. I don't think at this point, Mr. Speaker, that I'm prepared to suggest there will be a public inquiry, in that sense of the word; but certainly we are concerned, as are the local municipalities and a number of citizens, as to the question of the conservation authority. But I think it would be premature at this stage, Mr. Speaker, to indicate just what form our study or assessment will take. However, once again by Thursday, the Provincial Secretary for Resources Development might have some further information.

Mr. Speaker: The hon. member for Kitchener.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, a supplementary question of the Premier: In the financial plans which he is making, will the Premier consider the usual situation that has taken place in the past whereby the province matches funds which are raised locally through various groups or by the municipalities, so that this would be an additional benefit available to those who have been harmed?

Hon. Mr. Davis: Mr. Speaker, when I was asked this morning, by some of the citizens and the heads of the municipalities, just what precedent there was, I referred to the policy of the government that if there were, quote, "a disaster area established", our policy has been to match the grants raised locally, either on a voluntary basis or through the municipalities. This will be one of the options I'm sure the provincial secretary certainly will be considering.

Mr. Speaker: The hon. Leader of the Opposition.

CNE TRANSIT DEMONSTRATION SYSTEM

Mr. R. F. Nixon: I would like to ask the Minister of Transportation and Communications for further information on his announcement today.

Can he tell us the new expected start-up date for the experiment at the CNE? According to what he has said it would appear it would be early in 1976. And can he now tell us what the expected cost of the experiment will be with the adjustments he has announced today?

Hon. Mr. Rhodes: Mr. Speaker, I anticipate the expected start-up time of the experiment —going along as we are now—will be in the fall of 1975 for the demonstration.

Interjection by an hon. member.

Hon. Mr. Rhodes: Any reference to 1976 was a quote of mine in which I did state I was not that concerned about any specific time, that if it was not until 1976 I would be quite happy with that.

Mr. A. J. Roy (Ottawa East): The minister better talk to his boss.

Hon. Mr. Rhodes: As far as the price is concerned, I anticipate—

Mr. R. F. Nixon: Stan Randall would have had it going on time.

Hon. Mr. Rhodes: —there will be a substantial saving in this cost as a result of the redesigning that will be done.

Mr. R. F. Nixon: Does the minister expect it to be more or less or the same; since the one cost has gone up and the minister is cutting back on what he says are the visual aspects?

Hon. Mr. Rhodes: More or less or the same in what regard?

Mr. R. F. Nixon: Than the minister's estimate now, which is $26 million.

Hon. Mr. Rhodes: With the reduction, obviously it will be less.

Mr. M. Cassidy (Ottawa Centre): Supplementary: Mr. Speaker, can we then conclude that Krauss-Maffei has told the government of Ontario that at the kinds of costs that were being discussed a year ago, it cannot produce the system that it had then promised according to the ministry's specs? Is the minister therefore now saying we will do it because Krauss-Maffei can't?

Hon. Mr. Rhodes: No, Mr. Speaker, Krauss-Maffei has not told the government anything. We have been in contact with them concerning this particular problem.

Mr. Deans: That is one of the problems, by the way.

Interjections by hon. members.

Hon. Mr. Rhodes: We have decided that the way to save some money on this project and to help cut down the costs is by changing some of the designs down at the CNE. We are not being dictated to by the company in Germany.

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for York-Forest Hill.

Mr. P. G. Givens (York-Forest Hill): If the costs of the minister's mere experiment are causing him to scale down the whole project and make a less elegant design, as he has put it, doesn't this indicate the minister's whole project will be so horrendously costly that he might as well abandon it now and go to light rapid transit?

Hon. Mr. Rhodes: Mr. Speaker, we have no intention of abandoning the project, as much as the hon. member would like to see that done. He has hung his hat on the hope there will be a failure.

Mr. Sargent: Why doesn't the government give Gerhard Moog a shot at it?

Hon. Mr. Rhodes: This programme is not going to fail. The technology is excellent. We are going to continue with the programme. The only changes being proposed involve methods of cutting down on the cost of the civil engineering of this project. I have no intention of announcing, at this time or in the future, the abandoning of this project.

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Lewis: The minister has had little caucus on that one all right.

Interjections by hon. members.

Mr. Cassidy: That's right. Mr. Speaker, in the cost-cutting to which the minister refers, is it intended that the original specifications put forward by MTC will be substantially rewritten, in order to lower the service standards of the project so that he can reduce the engineering and technology costs?

Hon. Mr. Rhodes: My announcement today, Mr. Speaker, is that we are changing

the design of the civil engineering, which will reduce the costs of the development of the guideways for the experiment at the CNE.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. Cassidy: The government will never see that system running.

An hon. member: The member for Ottawa Centre hopes so.

PETROSAR LTD.

Mr. R. F. Nixon: I would like to ask the Premier if he has expressed his objection to the Premier of Alberta with regard to the policy enunciated by that province, which would indicate that the so-called SOAP petrochemical project for Sarnia, proposed by Petrosar Ltd. could not go forward because Alberta feels the crude ought to be refined and developed in Alberta rather than here in this province?

Hon. Mr. Davis: Mr. Speaker, I have not personally communicated to the Premier of Alberta on this project. The Minister of Energy (Mr. McKeough) was in Alberta a short time ago and perhaps this was one of the items that was discussed. As far as I am concerned, and I have expressed this point of view publicly before, I think there is room for both such projects in Canada. While we recognize Alberta's legitimate aspirations to improve its position from the standpoint of utilization of their natural resource and the development of secondary industry, at the same time, we have suggested this should not be done in a manner prejudicial to the rest of Canada.

Mr. R. F. Nixon: Supplementary: Would the Premier not feel he should get in touch, personally, with his friend in Alberta of the same political stripe, so that in fact the decisions taken out there are not going to mitigate against the orderly development of industry here as well as in Alberta?

Hon. Mr. Davis: Mr. Speaker, we are assessing this particular problem. I think at this moment it would be questionable as to what benefit there would be, although I am always pleased to call the Premier of Alberta on any issue.

Mr. R. F .Nixon: That is the thrust he should be making.

Hon. Mr. Davis: At this precise moment, I don't know that it would serve any useful purpose.

Mr. Lewis: The Premier won't be calling him after July 8 except about the colours of his delegate's badges.

Mr. Speaker: The hon. Leader of the Opposition.

TAKEOVER OF DUNLOP BY FIRESTONE

Mr. R. F. Nixon: I would like to ask the Premier if he is aware of an offer by the Firestone Rubber Co. of the United States to purchase the tire plant, Canadian warehouses and bicycle tire plant of Dunlop Canada Ltd. in Whitby; and that Dunlop is now taking a nation-wide inventory of its assets, such as they are, for the purposes of negotiating with Firestone? Since Dunlop was very much an issue in this Legislature a few years ago, is the Premier not concerned that this final asset would be sold out, with the problems associated with employment in the region?

Hon. Mr. Davis: Mr. Speaker, we are quite concerned. I am not familiar with the details. I think if the Leader of the Opposition were to direct that question to the Minister of Industry and Tourism, he might have some more precise information for him.

Mr. R. F. Nixon: I would like to do so, Mr. Speaker.

Hon. C. Bennett (Minister of Industry and Tourism): Mr. Speaker, some weeks ago I had the opportunity of meeting with the president of Firestone Tire and Rubber Co. from Hamilton, Ont., and discussing with him the possibility of a takeover of the Dunlop Tire people. It is my understanding, sir, that at this moment it is in a confidential position with the Minister of Trade, Industry and Commerce in Ottawa, as it is being reviewed under the Foreign Investment Review Act.

Mr. R. F. Nixon: Supplementary: Has the minister lodged an objection on behalf of the government of this province that would tend to at least slow down, if not stop, such a takeover; or can he assure us that the jobs that are presently associated with Dunlop would be maintained?

Hon. Mr. Bennett: Mr. Speaker, in dealing with a matter such as this, which is at the moment in a confidential state with the federal government and the ministry, all I can say is we have been asked for some input from our ministry and we have been more

than pleased to give it. We are encouraged by the direction—

Mr. R. F. Nixon: The minister intends to keep it confidential?

Hon. Mr. Bennett: If the member would listen for a moment, I will finish the answer for him.

Mr. Cassidy: What does the minister think this is, school?

Hon. Mr. Bennett: We have been encouraged by the direction the Firestone company has taken in regard to the takeover of Dunlop, which is a foreign-owned company; so it is one foreign company looking at the potential takeover of as second foreign company and there is fair and justifiable reason for the takeover.

Mr. R. F. Nixon: Is the minister's input confidential?

Hon. Mr. Bennett: At this moment, Mr. Speaker, our input is confidential. We have been securing information from the federal government and from the corporations, both sides; and we have been responding in relation to an Act of the federal government.

Mr. Lewis: Supplementary: Can the minister not indicate to us the recommendation he has made, regardless of the information on which it is based?

Hon. Mr. Bennett: Mr. Speaker, my recommendation at the moment is in a confidential nature to the Minister of Industry, Trade and Commerce of Canada. He has asked for this information to assist him in arriving at some conclusion. May I say that at the time Bill C-132 was being processed, we in the provincial government had asked to be consulted at any time there should be a takeover by a foreign company of a company in our province, and that is the procedure which the federal government is using at the moment. We are pleased to work with them and it looks as though it will be a very favourable conclusion.

Mr. Speaker: The hon. Leader of the Opposition? The hon. member for Scarborough West.

PROVINCIAL CONTROLS ON PETROLEUM PRICES

Mr. Lewis: May I ask the Premier, would he consider following the example of British Columbia and asking the major oil companies voluntarily to restrain the increase in prices of gasoline and home fuel oil? I think in that case the request was to a maximum of eight cents per gallon in any area—which was responded to favourably by Imperial Oil and one other company, although not so in the case of Shell. Such action would obviously mean a tremendous saving for Ontario consumers, were oil companies here to accede to the Premier's request.

Hon. Mr. Davis: Mr. Speaker, there are two or three things that might be suggested. The government is, as I expressed last Tuesday, concerned about the increase in the gasoline price; I can only say at this moment that I have not talked to the oil companies on a personal basis, but I do not preclude that possibility.

Interjections by hon. members.

Mr. Lewis: I have a supplementary of the Premier. Given the new and rather interesting information that a very senior official of the National Energy Board, involved in supply and distribution, was engaged in a fairly clear conflict of interest—sufficient, in any event, to have him resign—does the Premier not think this is yet further reason for him to revert to the position he thought he had entered into last March and to request of the oil companies that the price in Ontario come back to the seven per cent level, since all subsequent information has been such as to undermine the determination made earlier; and indeed that information may not have been accurately filtered through to the Premiers and the Prime Minister?

Hon. Mr. Davis: Mr. Speaker, I'm really not sure how the issue, which I read about very briefly this morning, enters into the discussion and I'm not really prepared to comment on that aspect of it.

Mr. R. F. Nixon: My supplementary directed to the Premier, has to do with a certain lack of clarity in the policy statement associated with this whole matter: Are we to presume there is a substantial possibility of the government of Ontario taking some action within the next weeks to cushion the impact of this increase, as has been done by the other provinces; or must we assume the policy is to allow the laws of supply and demand to regulate this?

Mr. E. W. Martel (Sudbury East): When did that happen?

Hon. Mr. Davis: Mr. Speaker, I think as far as—

Mr. J. F. Foulds (Port Arthur): Laws of the Premier's capitalistic view of life.

Hon. Mr. Davis: —any suggestion being made that the government was prepared to reduce its tax as it relates to gasoline price, it would be unfair to build up any expectation on the part of the consuming public that this might happen. I think it is fair to state that in two provinces—and I'm only going by memory—the tax was reduced and those provinces, of course, are the prime recipients of the very substantially increased revenues.

If memory serves me correctly, one of our sister provinces has cushioned the impact of the increase out of equalization grants flowing from the federal government, without getting into the source of the equalization. How successful the Province of British Columbia will be with respect to one or two of the major companies on the eight cent figure—which is nine cents here—I think will have to be determined. Certainly, Mr. Speaker, the last thing I want to do is to build up any expectation the government sees a solution being the reduction of our own gasoline tax by a cent or two cents.

Mr. Cassidy: Take the companies' profits and share them out.

Mr. Deans: A supplementary question: Could the Premier explain how, with all the high-priced help available to him, he could go to the conference in Ottawa without the necessary information to negotiate from strength based on knowledge, rather than from a position in which he didn't have the kind of background knowledge necessary to arrive at a sensible conclusion?

Hon. Mr. Davis: Mr. Speaker, I think there is always some degree of misunderstanding about conferences of this kind. I read a certain article today in Toronto's leading and now only evening newspaper. I think the figure of $50 million was used, and I think that is a shade high.

I can tell the member for Wentworth that the participants in that meeting—there was no signed agreement as is indicated in one or two press reports and there was no documentation on the table. Ontario went there with the recommendation, or very strong suggestion, that there be no increase beyond the $6 figure. All the conversations related to a $4 figure, which was the existing price, as it related to expectations of the western provinces where the figure was substantially in excess, of course, of $6. The Prime Minister of Canada, who was the chairman of the meeting, very politely but firmly said if we didn't reach a consensus he or the federal Parliament would legislate a figure of $6.50. The total conversation, Mr. Speaker, related to the question of the $4 to $6, which was Ontario's suggestion, and the suggestion by the Prime Minister of Canada that it be $6.50.

Mr. Lewis: I thought it was Allan Blakeney who had let it go to his head. Now it's Pierre Trudeau.

Interjections by hon. members.

Hon. Mr. Davis: Mr. Speaker, there is no question the Premier of Saskatchewan wanted—

Mr. Lewis: And so did the Premier of Alberta!

Hon. Mr. Davis: Yes, he wanted a much higher price. I think it is fair to state that according to Mr. Blakeney's calculations the $6.50 figure was—or would have been—less than he was already receiving.

Mr. Lewis: That's right, that is true. He made that concession to the Premier.

Hon. Mr. Grossman: The member is on his side now, is he?

Mr. Lewis: Certainly. I have always been on his side.

Mr. Speaker: The member for Grey-Bruce.

Mr. Sargent: Directly or indirectly, the Premier and the Minister of Energy have goofed to the extent of $50 million, and we have a cushion of $500 million from this tax. Why won't the Premier be man enough to admit he's made a mistake and pass that back to the taxpayers of Ontario by cutting it back? He has the cushion and it's his fault, no one else's.

Hon. Mr. Davis: Mr. Speaker, with great respect, I am not going to debate what went on at the meeting itself. I think the figures there were relatively clear-cut. If the memmer for Grey-Bruce says there should be some cushioning effect, I say to him with respect that the federal government of this country, which has the responsibility for this issue on a national basis—

Mr. V. M. Singer (Downsview): Oh, yes!

Mrs. M. Campbell (St. George): Crybaby.

Hon. Mr. Davis: Listen, those people over there can't have it both ways.

Mr. Roy: Quit passing the buck.

Hon. Mr. Davis: The Liberal Party and the federal government then had the option

of going for a $6 price. They have said no to any form of control, and members very well know it.

Mr. Singer: The minister said the Premier was not knowledgeable. He should have a course in arithmetic.

Interjections by hon. members.

Hon. Mr. Davis: And for the federal Minister of Energy to try and pass the buck here is totally irresponsible, which is what I said on Thursday.

Interjections by hon. members.

Mr. Sargent: Mr. Speaker—

Mr. J. A. Renwick (Riverdale): The Premier takes no responsibility of his own.

Mr. Sargent: On a point of order, I think I'm entitled to an answer.

Hon. Mr. Davis: I think Donald Macdonald, the other one, made a mistake.

Interjections by hon. members.

An hon. member: The Premier made the mistake.

Mr. Sargent: Mr. Speaker, regardless of where the Premier wants to lay the blame, we look to him to look after Ontario. He has laid an egg—he has goofed. Why doesn't he have the guts to stand up for the people of Ontario once in a lifetime?

Mr. Speaker: Order, please. I think the hon. member for Grey-Bruce might try to use a little better parliamentary language.

Mr. Sargent: Intestinal fortitude then.

Hon. Mr. Davis: Mr. Speaker, I am the first one to understand the limited vocabulary of the member for Grey-Bruce. I am very sympathetic to it; I totally understand.

Mr. Roy: Then why dosn't the Premier answer the question?

Hon. Mr. Davis: I would only observe to the member for Grey-Bruce there was no increase in revenues to the Province of Ontario out of this situation whatsoever—

Mr. Sargent: I didn't say that.

Hon. Mr. Davis: Our revenues will not increase, unlike the federal government, which has an increase in tax—

Mr. Lewis: But the revenues of the oil companies will increase.

Hon. Mr. Davis: —and perhaps he, with his friends, might have some greater effect than we do on this side of the House.

An hon. member: He wouldn't understand that either.

Hon. Mr. Davis: Yes, take off the 0.6-cent federal tax.

Mr. Renwick: Our revenues will increase. We will get our share of the increased profits of the oil companies under the Corporations Tax Act, because we are going to let them go higher.

Mr. Speaker: Does the hon. member for Scarborough West have further questions?

Mr. Lewis: Well, I don't suppose there is any point in pursuing this further.

Mr. Renwick: It's just ridiculous.

FOOD PRICES

Mr. Lewis: May I ask the Premier a further question on prices? Since the Ontario food basket jumped by nearly five per cent last month compared with a year previous, is there any indication or any interest on the part of this government in moving to scrutinize those major food retailers with a view to looking at the possibility or rolling back certain prices, or to initiate some kind of inquiry into their activities; or indeed to defend the consumers of Ontario in any respect as regards food prices, since he won't do it on gasoline prices?

Hon. Mr. Davis: Mr. Speaker, this government is of course concerned about any increase in the price of any commodity, including food. I think it would be erroneous to indicate to the leader of the New Democratic Party that we were contemplating at this precise moment some form of price control, which of course would be coupled with wage control, which of course his party would oppose. I would only say at this moment we don't contemplate it.

Mr. Roy: Which the government opposed last year.

Hon. Mr. Davis: No, we didn't.

PRICE INCREASE BY GENERAL MOTORS OF CANADA LTD.

Mr. Lewis: May I ask the Premier: Now that General Motors has announced an increase of $92 per unit in its production,

which would appear on the surface to violate the auto pact, or at least what we thought would flow from the auto agreement by way of negotiation on prices, would he at least launch a protest, a firm and deliberate protest, with the federal government, against the increase in the cost of automomibles produced by General Motors in order to defend the consumers of Ontario in that regard, since he won't defend them in terms of food prices or gasoline prices?

Hon. Mr. Davis: Mr. Speaker, I am always prepared to launch a protest with the federal government if I think it will have any useful purpose.

Mr. Lewis: Well, has the Premier done so?

Hon. Mr. Davis: I will have to assess whether I feel it might have any useful purpose in this particular situation.

Mr. Roy: The Premier has no credibility there.

PRICE INCREASES BY STELCO

Mr. Lewis: May I ask the Premier, did he in fact seek from Stelco an explanation as to their increase in steel prices? Has he requisitioned their books, and is he satisfied of the need for the 11 to 12 per cent increase? Has the Premier done these things so that he might step in to defend the consumer in the area of steel prices, since he won't do it in gasoline, food or automobiles?

Hon. Mr. Davis: Mr. Speaker, I am always prepared to accept constructive suggestions from the leader of the New Democratic Party, although they are sometimes rather scarce—

Mr. D. C. MacDonald (York South): If the Premier were alive, he wouldn't need his suggestions.

Hon. Mr. Davis: —it was his suggestion I communicate not only with the head of Stelco but also with the head of Ford. When he goes through his litany again in the next question I can save him one; I ave already communicated with the head of Ford—although I must confess I haven't requisitioned their books, nor do I intend to.

Mr. Lewis: Would the Premier like to table what it is that he has sent to either of these major companies? I presume it was by letter.

Hon. Mr. Grossman: What? The tapes?

Hon. Mr. Rhodes: We didn't leave the transom open.

Hon. Mr. Davis: Mr. Speaker, when I receive a reply, I will consider what action I will take as far as making its contents available to the members of the House is concerned.

EXEMPTION OF RESOURCE LANDS FROM LAND SPECULATION TAX

Mr. Lewis: One last question, of the Minister of Revenue, if I may, Mr. Speaker: Would the minister consider amending yet again—I hate to say this; let me put it another way—would the minister reconsider the exemption which he granted in the Land Speculation Tax Act for resource lands—

Mr. Singer: It's out of order, out of order.

Mr. Lewis: Well we have passed that point in the bill, which is why I am raising it in question period.

Mr. Singer: No, it is out of order.

Mr. Speaker: Order please. I must confess, I didn't hear the total question. Would the hon. member repeat it, please?

Mr. Singer: He's out of order.

Mr. MacDonald: Neither did the member for Downsview hear it, but that didn't hinder him.

Mr. Lewis: Now that it has been revealed that Inco is selling land, which it bought for $1 an acre, at an average sale price of $5,500 to $7,500 an acre, does that—

An hon. member: That's a lot.

Mr. Lewis: In fact it's a lot; I am sorry, a building lot—does that not seem to the minister to be the kind of speculation which would permit the inclusion of resource land in his bill?

Mr. Singer: That is not how he started.

Mr. Speaker: It's in order now.

Mr. Lewis: Yes, through dextrous rephrasing, it is now apparently in order, Mr. Speaker.

Hon. A. K. Meen (Minister of Revenue): Mr. Speaker, I was not familiar with the situation outlined to me just now by the leader of the NDP. I'll look into the question.

Mr. Martel: The ministry was familiar with it.

Mr. Speaker: The hon. Minister of the Environment has the answer to a question asked previously.

AIR POLLUTION AT NIAGARA FALLS

Hon. W. Newman (Minister of the Environment): Yes, Mr. Speaker. On Friday the hon. member for Wentworth directed a question to my colleague, the Provincial Secretary for Resources Development, concerning a request from Cyanamid of Canada Ltd. for an extension of the control order served on the company by this ministry.

Mr. Speaker, the ministry's order to reduce particulate matter was served on the Niagara Falls plant of Cyanamid on Oct. 23, 1970. Since then, three extensions have been granted. The last extension is to expire on June 30, 1974, corresponding to a termination of operations at the plant.

On March 6, 1974, the president of Cyanamid forwarded a letter to me, which indicated the company's intention to make a capital expenditure of approximately $2.5 million to install the required pollution controls. On the basis of the increased market for their products and the time required to install pollution abatement equipment, the company requested a further two years' extension to their control order.

Following receipt of this letter, I met with senior officials from Cyanamid, who were accompanied by the mayor of Niagara Falls, and I indicated I would have to have a guarantee they would install the necessary pollution control equipment before I would give further consideration to their request for an extension. At this point in time I am awaiting a further response from the company.

While I am fully sympathetic to the risk of loss of jobs which will arise if this plant closes down, nevertheless I want to be fully assured that the necessary abatement measures would be taken to protect the citizens of Niagara Falls living in the area of the plant.

Mr. Deans: Mr. Speaker, by way of a supplementary question, may I ask the minister if he could restate that portion of his answer dealing with the date the original order expired, which I believe he said corresponded with the date of the closing of the plant? Is he now satisfied that it is the intention of Cyanamid that they will not close the Niagara Falls plant at some subsequent date?

Hon. W. Newman: As I said in my statement, I have sent a letter to Cyanamid requesting certain guarantees; as soon as I hear from them I will consider the whole matter at that time.

Mr. Deans: Will he inform the House of it?

Hon. W. Newman: I beg your pardon?

Mr. Deans: Will he inform the House immediately he receives a reply; since the date is, of course, the end of June?

Hon. W. Newman: I would like to have a look at it first; then I will report back to the House, yes.

Mr. Roy: Yes, look at it first.

Mr. Speaker: The hon. member for Ottawa East.

FUNDS FOR TERRORISTS IN NORTHERN IRELAND

Mr. Roy: Mr. Speaker, my question is of the Solicitor General.

I wonder if the Solicitor Genera can comment on the statement made by a member of the British Parliament, wherein he stated he will communicate with the Canadian authorities to help cut the flow of money to terrorists in Northern Ireland flowing from this province over to Northern Ireland; or is he in a position to confirm this statement?

Hon. G. A. Kerr (Solicitor General): No, Mr. Speaker, I am not aware of a flow of money from Ontario to Northern Ireland.

Mr. Roy: May I ask a supplementary? Is the minister able to comment on the fact that the MP stated that most of these moneys apparently were raised in Toronto? Are the minister's secret service or whatever he calls them, his investigative police, looking into this question?

And secondly, Mr. Speaker, is the minister looking into this statement? Is he investigating this situation?

Hon. Mr. Rhodes: Is he for real?

Hon. Mr. Kerr: Mr. Speaker, if I remember correctly, when I read that news article it referred to Canada. I don't think it referred specifically to Ontario.

Mr. Roy: It said there were no funds coming out of Quebec, most of it was coming out of Toronto. That's what the article said.

Hon. Mr. Kerr: The comment I read—I think it was from United Press or Reuters—said "Canada" and it didn't make any exceptions as far as I'm aware.

There is some concern about the shipment of arms from Canada; that has been expressed before in this House and it has been in the papers. But I'm not aware of any great amount of money flowing from Ontario to assist the contestants, shall we say, in the problems that exist in Northern Ireland.

Mr. Roy: Are you investigating this statement?

Hon. Mr. Kerr: I've asked for a report, yes.

CONSERVATION AUTHORITIES' PRIORITIES

Mr. Deans: Mr. Speaker, a question of the Minister of Natural Resources. Notwithstanding my request to the Premier for an inquiry into the actions of the Grand River Conservation Authority on the evening of the flood, will the minister require that there be an investigation by his conservation branch, to determine that not only the authorities overall, but that authority in particular, are setting priorities correctly with regard to: (1) flood control; (2) recreation; and (3) the flushing requirements of the Grand River. The inquiry should determine that they are in fact, taking the appropriate measures year to year to ensure that the dams which are intended as flood control measures are used for that purpose primarily?

Hon. Mr. Bernier: Mr. Speaker, I think one has to fully understand the operations of the Grand River Conservation Authority. I think the priorities which the member has stated are not in that particular order.

The first priority, of course, is to make sure there is sufficient water in the Grand River to flush the whole system and provide water for the communities downstream. This is their No. 1 priority.

Their second priority is to control the flooding in the flood plain lands; and the third, which is a very low priority, is recreational opportunities in that particular area.

Naturally we monitor very closely the operations of the conservation authorities because of our contribution, and I have seen no change in policy direction or in priority setting over the past year. I would say that the action the conservation authority took was in one of those "act of God" situations. They didn't have that much advance information as to the size of the storm or the amount of rain that would fall after a very wet period in which the ground was completely saturated. In the previous week there had been about an inch of rain, the reservoir was practically at its peak and they were pulling it down at the time; they were pulling it down in awareness of the coming storm. But the information given to them, as I understand it, was that the rainfall was expected to be about 1 in. or 1¼ in. In no way did they expect a 2½ in. rainfall.

Mr. Deans: A supplementary question: Is the minister then admitting they did in fact open the gates of the dam and allow the water through? Second, doesn't he feel that the function of the authority is to monitor continuously to assure that the dam itself is used as a flood control measure, rather than as a means of providing recreation?

Hon. Mr. Bernier: Mr. Speaker, I would invite the hon. member to visit that particular administration centre—

Mr. Deans: I have been there.

Hon. Mr. Bernier: —and see the very complex control they have of their operations in connection with preventing floods. To me it is one of the finest in southern Ontario—really it is. They have a handle on the situation and I'm confident the action they took was a correct one.

Mr. R. F. Nixon: Supplementary.

Mr. E. R. Good (Waterloo North): A supplementary of the minister, Mr. Speaker: Will the ministry routinely, or especially in this case, monitor all the data available as to the flow charts and the graphs and make a statement, probably through one of the minister's hydrological engineers, as to the process that was followed and how it related to the flood that occurred? I do feel the people in the area want a statement from someone other than the authority itself as to the monitoring of the data that is available.

Hon. Mr. Bernier: I would point out to the hon. member that the conservation authority is an autonomous body, but in my opening remarks in answer to the question from the Leader of the Opposition I pointed out that my people were meeting with the conservation authorities branch in that particular area at the present time and would be reporting back to me. When I have that

information it may well be that I will follow the member's suggestion.

Mr. R. F. Nixon: A supplementary, Mr. Speaker: Wouldn't it be true to say, however, that the minister's predecessor was the one who established the relatively low level of flood control and the list of priorities by virtue of not approving the plans put forward by the conservation authority over a number of years for dams which would control the floods, specifically at West Montrose?

Hon. Mr. Bernier: Mr. Speaker, I would refer to my leader's observation when he said control of flood waters in southern Ontario was a very large and complex undertaking. It would cost about $500 million if all dams were to be installed at this point in time.

I would point out to the Leader of the Opposition that in the mid-1960s it was the federal government which opted out of the Canada water assistance programmes in which it was paying 37½ per cent toward the construction of those dams. It opted out.

Mr. Singer: It was probably a Diefenbaker government.

Hon. Mr. Bernier: We've been pressing it to come back in and assist us in this very urgent programme. Hopefully it will.

Mr. R. F. Nixon: A supplementary: Since the minister has raised this new matter is he saying the decision to remove the proposed dams from the programme of the Grand Valley was taken elsewhere than by the minister and his predecessors?

Hon. Mr. Bernier: No, Mr. Speaker. I am saying they are still on our priority list, but of course they will be developed as funds become available. The federal government could have assisted us by maintaining its assistance over the period of the last few years, had it maintained its obligation.

Interjection by an hon. member.

Hon. Mr. Bernier: But it opted out.

Interjections by hon. members.

Mr. Speaker: The member for Kitchener.

Mr. Breithaupt: A supplementary, Mr. Speaker: Further to the request with respect to an independent view of the subject to satisfy the citizens in the area, would the minister not think that an independent or a ministerial review and public forum would be welcomed by the officials of the conservation authority as well so they could tell their story more fully and get all the facts of the situation before the public?

Hon. Mr. Bernier: Mr. Speaker, as I related to the member's colleague, I would be prepared to take this route once I have the information in my hands.

Mr. Speaker: The member for Waterloo South.

PROPOSED COTTAGE SUBDIVISION ON NAPPAN ISLAND

Mr. Good: A question of the Premier, Mr. Speaker: Is it correct that in spite of the opposition by the Ministry of Natural Resources over the approval of a plan of subdivision on Nappan Island it was a cabinet decision that this approval should be given—in spite of the objections of the ministry which stated in its estimates last week it has not reversed its decision? It still feels it is not right that there should be draft plan approval for 250 cottages on Nappan Island in the Trent Waterway.

Hon. Mr. Davis: Mr. Speaker, I understand this was very thoroughly discussed in estimates; I have no further information with which I can help the member.

Mr. Good: A supplementary, Mr. Speaker: This was discussed in estimates but the Minister of Housing (Mr. Handleman) has refused to give us an answer on why draft plan approval was given when there were objections from other ministries. It has come to me this morning that it was a cabinet decision that draft plan approval should be given. I want to know if that is correct.

Hon. Mr. Davis: Mr. Speaker, what goes on in cabinet in specific terms is, of course, confidential. I can only say to the member I don't have any additional information for him at this moment.

Mr. Speaker: The member for Thunder Bay.

NAKINA IMPROVEMENT DISTRICT

Mr. Stokes: Thank you, Mr. Speaker. I have a question of the minister responsible for municipal affairs. Can the minister tell me the status of the application of the improvement district board on Nakina in its quest for alteration of status to that of an open community by way of a township rather than being a closed community, something to which it has been opposed for several years?

Hon. J. Irvine (Minister without Portfolio): Mr. Speaker, I believe the question should be directed to the Treasurer and Minister of Intergovernmental Affairs at this time. He is in the House.

Mr. Speaker: The member for York—

Mr. Stokes: Could I redirect it?

Mr. Speaker: All right.

Mr. Stokes: Can the minister tell me what the status is of the application of the improvement district board of Nakina for erection into a municipality, a township?

Hon. J. White (Treasurer, Minister of Economics and Intergovernmental Affairs): I am sorry, I can't offhand. I'll get the answer for the member.

Mr. Speaker: The member for York-Forest Hill.

DIAL-A-BUS

Mr. Givens: A question of the Minister of Transportation and Communications: In light of the lacklustre and money-losing performance of the province's dial-a-bus scheme—

Hon. Mr. Grossman: Is this an editorial comment?

Mr. Cassidy: The minister never gives any, does he?

Mr. Givens: —in Metro, will the government use its present review period to consult the public about its desires for this service, the dial-a-bus system, as suggested by the director of the Metropolitan transportation plan review?

Hon. Mr. Rhodes: Mr. Speaker, there was a discussion with the public at the time the present dial-a-bus system went into effect. I recognize that Mr. Soberman has had some comments to make in the press and he is certainly entitled to make his observations. For any new system that is developed, for any new area that is to be served, certainly they will follow the procedure that has been followed to determine how best to serve the people of the community.

Mr. Soberman referred to the lack of public participation. I believe the only lack of public participation was the lack of people getting on the buses and using them, so we are going to move them.

Mr. Speaker: The hon. member for Sandwich-Riverside.

Mr. Singer: That's a pretty important lack, isn't it?

Mr. R. F. Nixon: Dial-a-bus promotion lacked lustre.

Mr. Singer: How can you have a transportation service without customers?

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, a question of the Treasurer.

Mr. Roy: Tell us about Krauss-Maffei.

Mr. Speaker: The hon. member for Sandwich-Riverside.

MUNICIPAL BUDGET CONSTRAINTS

Mr. Burr: A question of the Treasurer: Is the Treasurer aware of the bind in which the city of Windsor finds itself as a result of budget constraints imposed upon it by the provincial property tax stabilization grant regulations? For example, is the minister aware that the Ministry of the Environment insists on very expensive sewage works, and rightly so, but the Treasurer's ministry insists on curbing public works on pain of losing the maximum subsidies and grants? Is the minister aware of this situation?

Hon. Mr. White: No, Mr. Speaker.

Mr. Burr: Would the minister be kind enough to review the contradictory elements that are factors in the Windsor situation?

Hon. Mr. White: Well, we haven't got any constraints at all. I don't know what the hon. member is talking about.

Mr. Cassidy: The minister certainly does.

Mr. Roy: Tell us about the budget.

Mr. Foulds: He means he can't even remember the budget after he put it out.

Hon. Mr. White: We have an inducement for economy; which I think the hon. members will agree is entirely appropriate, given a very high rate of inflation.

Interjections by hon. members.

Mr. Speaker: Order please, the hon. member is trying to listen and can't hear very well.

Mr. Roy: The hon. member isn't missing anything.

Hon. Mr. White: Those inducements are very greatly diminished by our new sliding scale, so that this year, for instance, if—

Mr. Singer: Sliding scale—is that one of the pretty pictures the Treasurer has in his budget papers?

Hon. Mr. White: —municipal spending growth is 10 per cent, they would receive in the grants a seven per cent bonus, so to speak—

Mr. Lewis: So to speak.

Hon. Mr. White: —compared to four per cent a year ago. If the municipalities' expenditure increase were 12 per cent they would receive five per cent by way of general support grant rate instead of two per cent a year ago, so the constraints are not unduly severe. I'm not going to take any blame for whatever spending priorities and quantities have been established by Windsor. That's up to them.

Mr. Burr: A supplementary: My question is, is the minister aware that because of the necessity imposed upon the city to undertake certain public works in the field of the environment, other public works such as the repair of roads and sidewalks are just going to be impossible if the city is to receive the maximum benefit of the grants?

Mr. Roy: Next question.

Mr. Speaker: The time has expired!

Hon. Mr. White: I can't find the book which indicates the exact amount of these grants.

Interjections by hon. members.

Mr. Foulds: It looks like Fibber McGee's closet.

Hon. Mr. White: But I will be glad to tell the hon. members tomorrow how much money Windsor is getting this year compared to last. Then the hon. member and others can decide whether we're playing fair with the municipalities or not.

Mr. Burr: Thank you.

Mr. Speaker: This completes the oral question period.

Petitions.

Presenting reports.

Motions.

Introduction of bills.

Orders of the day.

Clerk of the House: The second order, House in committee of the whole.

LAND SPECULATION TAX ACT
(continued)

House in committee on Bill 25, An Act to impose a Tax on Land in respect of certain speculative Transactions affecting the Control or Ownership of Land.

Mr. Chairman: Order please. On Bill 25 we are about to put the question which is that the old subsections (2) and (b) of section 4 remain as part of the bill and be renumbered as (i) and (j).

Shall this motion carry? Carried.

Now, section 3 was stood down by the minister to prepare an amendment. I believe he now has that ready?

Hon. Mr. Meen moves that subsection (2) of section 3 of the bill be amended by adding after the word "who" in the second line, the words "knowing that tax is payable."

Mr. Chairman: Shall this motion carry?

Mrs. M. Campbell (St. George): No. Could we have a copy?

Mr. J. A. Renwick (Riverdale): Can we see it first of all?

Mr. Chairman: Order, please. Would the minister care to explain this?

Hon. A. K. Meen (Minister of Revenue): I would be very pleased to, Mr. Chairman. The point covered by this amendment was raised by the hon. member for Sarnia (Mr. Bullbrook) when we were debating this section last week. I recognized that he was raising a valid point and set about to find some way in which to relieve the very heavy onus that would otherwise be placed upon the legal profession, among others, who might have occasion in the normal course of their business to take money into their trust account and to pay it out frequently and immediately for some other purposes of the same client.

I have proposed this amendment which would then place an onus on a solicitor acting in a fiduciary capacity, for example, for a vendor to make remittal of a tax that was payable only if he knew that the tax was payable. Otherwise, if he does not know, then he is in a position to use the proceeds for the purposes of the client, say for example, as would be the normal case, the purchase of another piece of property or properties out of the proceeds of the sale. And with this amendment, if he did not know the tax had been attracted, or if his client had perhaps misrepresented the facts to him

or he had no occasion to know the tax was payable, then he would not be obliged to withhold the money or to pay the tax over to the minister.

Mr. J. R. Breithaupt (Kitchener): Well, Mr. Chairman, I commend the Minister of Revenue in bringing forward this amendment. The points which were raised by the member for Sarnia need not be repeated here because they, of course, appear in Hansard. I think that the matter of direct knowledge of the solicitor is something which is important to differentiate when we look on the other hand at information which may not be complete and which should not lead to personal liability.

I think that the amendment certainly is a reasonable one and I am pleased to see that it has been placed in the statute.

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman, I feel that the amendment is perhaps drawn too broadly. In any event, would it not have been just as much to the point to give some specific exemptions to the legal profession acting in the trust capacity with respect to real estate transactions in an exclusive and direct way, rather than in this rather molly-coddled, obtuse way, knowing the tax is payable? I suggest to the minister over against that subsequent section that he and I conjured with at the time, that it may be revisited, that the reassessment of the tax may come back upon the individual.

The minister has worded it in such a way as perhaps in construing it and in construction before the courts—and even within the terms of his own ministry as to whether he thinks its imposition is legitimate or not—it very well could override the impact of those few words, "knowing that tax is payable." In other words, I'm not convinced at this standing that it solves the difficulty at which you are aiming this amendment. I am indeed far from convinced that that is the case, and I would like to hear further from you on this particular head.

Hon. Mr. Meen: Mr. Chairman, I'm convinced—and I'm pleased that the hon. member for Kitchener sees this position in this fashion—

Mr. Lawlor: He's too easily appeased.

Hon. Mr. Meen: —that this does look after that situation. As to administrators, executors, trustees or people acting in that capacity, I think they would have cause to know whether tax was payable, so that it doesn't sweep too broadly across that area of activity. But it does indeed, in my opinion and the opinion of my advisers, protect the legal profession in handling trust moneys for their clients. That's what this amendment seeks to accomplish.

Mr. Lawlor: Let's just dwell for a moment on the word "knowing." Do you mean that he actually knows or may constructively be deemed to know? It's extremely important. If the Act is in effect and every citizen is deemed to know what the law is, a fortiori the legal profession is supposed to know what it is. He's supposed to know that a tax is payable. How does this circumvent the difficulty really?

Hon. Mr. Meen: Well, he may not know, Mr. Chairman. That's just exactly the point which the hon. member for Sarnia has raised, that he may not know. His client may have told him he acquired the property at a certain price. His client may have misled him. He would be in an invidious position, as I assess this, if he were cloaked with knowledge, by way of constructive knowledge, if he in fact did know. He would be bound to investigate into every last transaction and determine whether and to what extent any tax was payable. This could hamstring the commercial world, and there is no intention on my part to impose that kind of heavy onus. The responsibility here is rather unlike the responsibility of a fiduciary under the Succession Duty Act, where he has adequate time to reflect upon the transactions that are under his guidance and responsibility as an executor, an administrator or as a trustee. In this case, the solicitor handling a transaction is not in the same position.

So, in looking at these sections, I felt that I had cast too wide a net by adopting section 26 of the Succession Duty Act into this Act dealing with land speculation. Where it's perfectly workable and has proven to be workable under section 26 of the Succession Duty Act, it did seem to me that the arguments advanced last week had validity, that it would be less workable and far too stringent to be imposed in this fashion in this Act.

Mr. Lawlor: Mr. Chairman, a final word on it as a commentary, it seems to me a kind of tentative lunge towards rationality and bespeaks the general tenure of the legislation as such. I don't feel it solves the difficulty finally. I think you're trying somewhat desperately to alter the situation. Let's put it this way; it's better probably than it was, but it seems to me on construction that that clause will probably fail.

Mr. Chairman: Shall this motion carry?

Mrs. Campbell: Mr. Chairman, I would like just some clarification. Up until now one of the things that has bothered me has been the retroactivity, if I may put it that way, of the effect of this legislation when passed. In view of the fact that the lawyers are gathering together to try to understand this bill at its present state, do I take it correctly that any lawyer who has been transacting business on behalf of clients during this interim period, having in mind the retroactivity of this bill, is in fact now covered, so that he at least, not knowing what the eventualities will be, is covered now and does not have any retroactive obligation?

Hon. Mr. Meen: Up until the last half of that sentence I thought I understood the question, Mr. Chairman. The Act will apply as of April 9. If this amendment is adopted by the committee, then it would be included in the Act as passed and, of course, for all actions within the legal fraternity from and including April 10 last, then this will be applicable.

Mrs. Campbell: In other words, they couldn't know at that point whether the tax is payable or not, so that they would be excluded from responsibility under this amendment. Is that not so?

Hon. Mr. Meen: The Act isn't proclaimed yet, so at this point no tax is payable. All that applies now is a lien for any tax that may be computed to be payable. If a solicitor under section 2, as it stands unamended, had made such a remittal of moneys,—maybe used them for the client's purposes on a subsequent purchase, for example—he might or might not have been liable depending on whether his client was or was not liable for the tax.

Mrs. Campbell: I see.

Hon. Mr. Meen: This section imposed that obligation on him. I have simply said that goes too far in my opinion. What we are saying is he is only liable if he has made a payment out knowing that tax was payable.

Mrs. Campbell: Thank you.

Mr. Chairman: Does this motion carry?

Motion agreed to.

Mr. Breithaupt: Mr. Chairman, on one point that you had gone through just before we reverted to section 3, and that was with respect to the adding of the former sections (a) and (b) to become sections (i) and (j) in section 4—

Mr. Chairman: Section 4, that's right.

Mr. Breithaupt: —I was wondering if the minister might just allow us a question on that, because I think that there is one point that might be helpful to the minister on it. In what is now (j)—that is, the old subsection (b)—there was the matter raised that when certain designated land is disposed of in certain ways, then that land is not to receive taxes as a designated parcel. I am wondering if the minister has given consideration, or indeed this may have been discussed earlier, as to whether when a municipality or one of these other agencies disposes of lands that the tax would be applicable as well.

In other words, should the section possibly read that "when the designated land is disposed of to or by", the putting in of the words "or by Her Majesty" and so on? I don't know if that had been considered but it would appear to me something worthy of consideration, whether the minister either chooses to make an amendment now or have the matter reviewed for a possible further amendment at sometime in the future.

Hon. Mr. Meen: Mr. Chairman, I recognize the problem which the hon. member is raising. One of the difficulties in simply inserting that little amendment "to or by," as we have had previously—and I guess that is where both the member for Kitchener and I maybe on different occasions touched on the same subject and I had to bypass that suggestion—is that no tax is exigible by Crown agencies. I think this applies to municipalities as well; that may or may not be so.

In any event, no tax is exigible against the Crown, so it would be redundant to say "to or by" the Crown. It would take a complete, "and Her Majesty in right of Canada," and so on. It would take a redrafting of this section to accomplish that. I am going to be looking at that in the next few months, but I don't propose to include it as an amendment in this Act at this time.

Mr. Breithaupt: Just a point that may be helpful. Since a municipality is mentioned it may be worthwhile to consider an amendment or even a further subheading in this section that would deal with the disposal of the designated lands to or by a municipality or perhaps some emanation, such as a public utilities commission or other creature, which in fact may have title to properties for industrial land purposes or simply as surplus

lands and against which it would be not be in the best interest to have a tax exigible but rather to encourage the use of that land for development at what would otherwise be a lower price if that tax did not have to be considered in the asking price of the property. I would hope the minister might consider that matter, dealing not only with municipalities but also with public utilities commissions, to take the example I chose, so that this possible problem could at least be considered. If it were considered we might be able to avoid an unplanned-for difficulty by a future amendment to the bill.

Hon. Mr. Meen: It might be at some future time, Mr. Chairman. I draw to the member's attention that so far as a municipality is concerned we already have picked that up in the new subclause (b). It is really only, say, Ontario Hydro, to think of one.

Mr. V. M. Singer (Downsview): Mr. Chairman, I must say I am puzzled by what the minister has said. The tax is not payable by the transferor. It is a charge against the land and it seems to me the scheme of the bill is that the tax is really payable by the transferee.

The question of whether or not the Crown is exigible surely is not important. When a tax is payable by the transferee—let's look at the old (b) which is the new (j). When the designated land is disposed of to Her Majesty, there is no tax but when it is disposed of by Her Majesty to X, apparently X is liable to pay a tax.

Hon. Mr. Meen: No.

Mr. Singer: Why?

Hon. Mr. Meen: No.

Mr. Singer: The tax attaches to the land. It doesn't attach to the Queen; it doesn't attach to the transferor; surely it attaches to the transferee? The land and the lien follows and the lien attaches to the land. If I buy land from the Ministry of Public Works—Her Majesty the Queen in right of Ontario, as represented by the Ministry of Public Works—it seems to me that the way you have got it standing now is that the tax does, in fact, apply.

Let's go back to 2(1)—

> Where . . . any disposition of designated land occurs, there shall be imposed and levied, for the uses of Her Majesty in right of Ontario, upon the designated land with respect to which such disposition occurs a tax computed at the rate of 50 per cent. . . .

When the land has moved from the Queen to Arthur Meen, the lien attaches to the land and Arthur Meen, to have a clear title, is going to have to get rid of the lien by getting rid of the tax. It isn't Her Majesty who is being taxed; it's the transferee, the purchaser, who is being taxed—at least, if I read it correctly. If I am not reading it correctly, I'd like the minister to show me why I am not.

Hon. Mr. Meen: May I simply draw to the member's attention the provisions of section 2, sub 3, which provides that it is the transferor who shall be liable for the payment of the tax. We'll get into these sections later on. Of course, if a purchaser obtains the prescribed affidavits from a transferor, he would take without any liability for the tax; but if he is not able to satisfy himself on that, by getting a lien clearance, then, of course, there is a lien on the land. But it is payable by the transferor, as the member will see in reference to section 2, sub 3.

Mr. Singer: I looked at 2(3), as the minister was talking and even though the Queen will not pay taxes to herself, the lien is still there. I submit that it has to stay there unless you exclude the fact that it's going to be there. In other words, the lien is there even though the transferor is not liable to pay the tax.

The lien is there. The lien attaches to the land. You've made quite an issue of attaching the lien to the land. The Queen approaches the Queen and says, "Give me the tax," and the Queen says to the Queen, "No, I am not going to give you the tax." But the lien isn't removed; the lien is still there.

I think the suggestion made by my colleague from Kitchener makes good sense. Why don't you say "to" or "by"?

Mr. J. E. Stokes (Thunder Bay): Mr. Chairman, while the minister is pondering that suggestion, may I interrupt to bring to the attention of the Legislature that in the east gallery we have 29 students from Nipigon Public School. They are 27 grade 8 students who are down here for most of the week. They are under the direction of Barry and Janet Frankham, Maxine Boyle and John Chase. I hope members of the Legislature will join me in welcoming them to Queen's Park.

Hon. Mr. Meen: The member for Thunder Bay gave me ample opportunity to reflect on that subject, Mr. Chairman, and I would just observe that a lien arises only if there is tax payable. If no tax is payable by the Crown

or in any such circumstances, then there is no lien, period.

Mr. Singer: I find great difficulty in accepting that. When we go back to 2(1), it says, "Subject to section 4, where . . . a disposition of designated land occurs, there shall be imposed and levied . . . a tax computed at the rate of 50 per cent . . . " If the disposition is by the Queen or by a Crown agency, it would seem, in the absence of a positive exemption, that the lien still attaches.

Granted, the transferor by 2(3) is supposed to pay the tax, but wouldn't it be easier to avoid that argument now? If the lien is there and the transferor isn't going to pay it, then the person who owns the land is going to have to pay it in order to make good title at a later time when they want to deal with it again.

The lien is there. You haven't removed the lien. And it doesn't say that the lien applies only when the transferor has to pay the tax. It says the lien applies where the land is designated land.

It seems to me that it is designated land and the lien applies even though the tax is not collectible from the transferor. In the end course the purchaser from the transferee is going to demand a clear title, is going to search for liens, will find one, then we have the great argument, and to conclude the transaction the transferor is going to have to pay this tax.

Hon. Mr. Meen: Well, I simply repeat, Mr. Chairman, the lien is for moneys that are payable. If no moneys are payable, there is no lien. Section 2, subsection 1 says "subject to section 4." Section 4 has certain prescriptions in it and we certainly know—and you don't have to refer to it by statute—that in the case of the Crown no tax is payable. Therefore, there is no lien that could arise in those circumstances.

Mrs. Campbell: Mr. Chairman—

Mr. Chairman: Order please, we have already passed this section. We have allowed certain discussion on it for the sake of clarification but it seems to me that—

Mr. Singer: When did we pass the section?

Mr. Chairman: A moment ago.

Mr. Singer: A moment ago? No, we didn't.

Mr. Chairman: Well, several moments ago.

Mr. Singer: We didn't pass the whole section?

Mr. Chairman: Not the whole section, oh no.

Section 3—have we finished with that?

Section 3, as amended, agreed to.

On section 4 we are up to subsection (c). The minister has an amendment for subsection (c), on the top of page 12.

Hon. Mr. Meen moves that clause (c) of section 4 of the bill be amended by striking out "and" in the fourth line and inserting there in lieu thereof "or."

Mr. Chairman: Shall this motion carry?

Mr. Singer: No. Not by a long stretch.

Mr. Chairman: The hon. member for Downsview.

Mr. Singer: Mr. Chairman, the argument on this is similar to the argument put forward by my colleague from Sarnia and myself in connection with these other sections a little earlier on—I think the member for Riverdale was into this argument as well—dealing with partnerships, corporations, amalgamations, arrangements and whatever else. It would seem to me that here again is an invitation to avoid the Act. A limited company has acquired designated land and the company decides amongst its shareholders that more than 50 per cent of its assets are designated land and it will wind up or dissolve. So it does and so it distributes its assets and so it avoids the tax. Why should it? It is as simple as that.

Hon. Mr. Meen: The amendment, of course, clarifies the matter of winding up and dissolution, which can be different functions, Mr. Chairman. I presume the hon. member isn't requesting clarification on that point but rather is going to the genus of the exception. It is quite simple. In these circumstances, it is a transmission through to the shareholders and winds up in their hands. Then when they dispose of it, they wind up paying the tax, if a tax is payable.

Mr. Singer: Well, if there is a tax payable at that time, they will all have put on their little 40 per cent or have formed a new partnership under the circumstances.

Mr. Chairman: Shall this motion carry?

Motion agreed to.

Mr. Chairman: On subsection (d).

Mrs. Campbell: Mr. Chairman, on 4(d), I wish to present an amendment.

Mr. Chairman: The member for St. George.

Mrs. Campbell moves that subsection (d) of section 4 be amended by adding after the word "lessee" in the seventh line thereof the following: "or by a person resident in a hospital, nursing home, a senior citizens' residence or any other institution under the Charitable Institutions Act."

Mrs. Campbell: Mr. Chairman, this is an endeavour to meet the problem which I put earlier, that is, the case of the person who has had a family residence for some period of years, a person who has as a senior citizen been forced to go into a nursing home or some other institution and who lives there, as is usual in these cases, for a period of time. The whole matter of going into one of these institutions is in itself traumatic enough without forcing the person to give up his home at the same time. It is an attempt, Mr. Chairman, to try to assist one of the small people who are being affected by this speculation tax and who were never a part of the speculative field.

I put it forward for that purpose in the same way as one was concerned earlier about the effect on the farmer. I would hope that the minister would give consideration to this amendment.

Mr. Breithaupt: Mr. Chairman, I think that it is worthy to make a few comments on this amendment which has been proposed by the member for St. George.

As she has said, there are circumstances whereby what might otherwise be the principal residence of a person is no longer technically the case because that person is now living, possibly temporarily, in a nursing home, a hospital or the senior citizens' residence that has been referred to. I think this exception would be of great benefit to many of our senior citizens who leave their home perhaps with the intention of returning but then aren't able to do so. If they were aware that they had this exemption should the need arise, it might be that they would be at least of a better mind to attempt to live in a senior citizens' home, to which they may otherwise be going reluctantly.

If this exemption is acceptable, then it would mean that principal residence would be able to have an extended meaning, especially for some of our senior citizens. The possibility here, of course, is that a person might change his or her mind after living in a senior citizens' home for a while and finally decide, or have to decide, that what was their principal residence may well have to be disposed of.

The disposition of that residence would no longer have the exemption if, in fact, it could be seen that the person's principal residence had changed. If their residence was then deemed to be, in fact, the senior citizens' home in which they had lived for half a year or a year, rather than the home that still stood in their name, it could possibly mean that tax might be exigible because this might be looked upon as possibly some kind of an investment property. I think that if we are able to avoid this possible technical argument that might discourage or dismay many of our senior citizens, we would come up with a better bill. Accordingly, I hope that the minister will consider accepting this amendment.

Mr. Chairman: The member for Lakeshore?

Mr. Lawlor: Mr. Chairman, as far as the amendment itself is concerned I personally at this time can see nothing wrong with it; in fact, it has positive merit as far as I could see within the section. But what I want to talk about, Mr. Chairman, are the larger implications of the section.

This remains, then, the single worst-drafted clause in the legislation. What kind of a hodge-podge have we got?

Mr. Renwick: I have read it 50 times and I still don't know.

Mr. Lawlor: Couldn't the minister segregate out, as he did in an earlier part of the bill—with some recommendations coming from this side of the House—ferret out, sift through the filter, the concept of fair market value? The minister had it all muddled up with a lot of other stuff, but he finally got around to redrafting the bill and sending it out, seriatim, in an intelligible way. But here we have a melange.

There is a tourist establishment—which seems to be what it is starting out about. Then, worked into it, is the exclusion that affects commercial and industrial lands. And it does and it doesn't, with respect to commercial land. Then the minister hews out of that, by way of a sub-amendment, so to speak, certain kinds of commercial property; namely, apartment houses. And then out of that there is the principle of apartment houses being used by tenants for principal residence. By the time you get down 12 or 14 lines it is an incredible snakepit; a labyrinthine coil that I could see neither head nor tail of, nor make out in any real sense.

For instance, let's take one of the minor problems. I take it, despite the ministers move, at the end of this legislation in sec-

tions 20 and 21, to introduce a wholly-new concept called investment property—and that, too, is a screwball effort, if I have ever seen one. But let's just dwell upon the present piece of legerdemain. Does the minister intend to turn himself into some kind of involuted Houdini so that he really can misconstrue the profession? The minister is going to have to appoint 10 new judges to read the one clause alone.

In any event what happens if it is mixed commercial-residential, if there are stores with apartments above them? I put it to the minister that that kind of property falls either in both or outside both. I am not quite sure where it falls or what stools it falls between as far as this clause is concerned. It seems to me that if one has commercial property it would be very much smarter to turn those upper stories those apartment units, into pure commercial, so that one has commercial throughout and escapes the tax completely. That would be the smart thing.

I am sure that's not what the minister wants to do, nor what his legislation is designed to do, because again that is cutting back severely upon residential, upon where people live. One of your collateral subsidiary benefits, which is supposed to be caught in this legislation, is to provide more housing, not less and yet with a clause of that kind you are running precisely into that situation. I say to you that property used for both commercial and residential purposes is excluded from the investment property category of sections 20 and 21, and also from the exemptions for tax provided in the commercial purposes section. It is caught somewhere in between and with great difficulty is it possible to construe that.

I have another point here which bothers me. It has perhaps more to do with the principal residence concept but since that is worked into here overtly or subvertly or covertly or some "ertly" I have no idea how to handle it—that is, the business which is partially mentioned on this particular head. What about the hiatus between the time a principal residence is achieved or held—and may be held for many years—and the acquiring of another principal residence or the acquiring of another residential position? Do you lose the benefit of both if there is a period in between?

The next section can be construed more strictly when people are buying homes and they have sold one and haven't yet bought the other; or have bought one and haven't yet sold the other. Which is which? We will come to that in due course. Those are a couple of the conundrums this section has.

Will you not consider taking this one back and setting up, I would suggest, four distinct and separate sections and dealing with the tourist concept? Do give us some kind of clue as to what is what—everything goes over to regulations at this particular point under that particular head. We are not given any indication at all of what precisely—or even imprecisely—you have in mind with respect to tourist accommodation.

Secondly, say in a separate matter that the commercial is either included or excluded and what kind of commercial you have in mind. The industrial pretty well stands for itself although I think that is a terribly questionable situation. I have been given today, for instance, International Nickel's holding lands up there. The company is selling at $5,000 to $7,500 lands it picked up for $1 an acre. Out of one acre you can make four lots and it is selling them off to people now.

That is really a subversion of the purpose of legislation. That is really a piece of speculation which is not pretended to be covered by your legislation. That is where some of the real speculation lies in this particular area.

There is so much wrong that one has to bow your head to the breeze and like a sheep turn your back and try to get away from the wind because the tornado blows hard on this side of the House on this legislation. Sometimes I feel I am going to be carried away.

Mr. Renwick: I am glad the member for Armourdale (Mr. Carton) is here to help us with this clause.

Mr. Lawlor: In any event, I want the commercial set up separately; the industrial designated and set up separately; then we can go on to apartment houses and deal with the issue. Basically, as far as I am concerned, you have set them up except for the business of the concept of principal residence being worked into that. That must be segregated and must be clarified and instead of the swampy pool we have in front of us, something has to be clarified. Legislation, particularly tax legislation, should be as clear as your draftsmen can make it instead of being as muddied as in some wild dream overnight.

Mr. Chairman: The member for York-Forest Hill.

Mr. P. G. Givens (York-Forest Hill): Mr. Chairman, I would like to speak on this amendment introduced by my friend from St.

George. Probably not much thought has been given to it and I think this will definitely improve the bill. It isn't merely a theoretical thing because I have gone through it myself and the member and I have discussed it.

Mr. Renwick: That makes it non-theoretical?

Mr. Givens: That makes it non-theoretical because our discussions were based on real things which happened to both of us, involving real people. The change of status which takes place from the time a person who lives in his home has to go into this kind of institution, can be very traumatic, can be very shifting, can take a very long period of time. One cannot ascribe an arbitrary time period of even six months or a year; because it could take a year, it could take two years. There are shifting degrees of status. A person can move from his home into a nursing home; from his home into a hospital; from the hospital into the home; and then back to the hospital. These things do happen. People at that age fall, they have accidents; and it could be catastrophic if—

Mr. F. A. Burr (Sandwich-Riverside): Or into a relative's home.

Mr. Givens: Or into a relative's home. And this thing could be catastrophic for a person found in the midst of this changing of status, which is of a shifting nature. Because it is often surprising how long it takes for a person to adapt himself to the idea of after having lived in his own home for decades, suddenly to have to make a change to a public institution. This is something that really shakes them up. They don't want to cut the cord they have with the past.

The idea of having to reconcile themselves to this irreconcilable, final act of cutting this cord can be very traumatic and can be very final, and can shake one up very very badly. I have seen this happen. It can be catastrophic and could be in the case of the present wording. The person could find that it is no longer his place of residence, after he has already made his adjustment to go into this kind of institution that my friend envisages. He then finds he has to run back to home base, so to speak, because of further changes of circumstances which have taken place; something beyond his control.

So this is not merely theoretical; it is not merely a figment of one's imagination. This is a thing that happens day after day. I would appeal to the minister for what's involved here. It is very serious from the human standpoint, but it is not very serious from a speculative standpoint, because I don't imagine that the frequency with which something like this happens will affect the rate of speculation to any great degree. But it does affect the happiness and the well-being of individuals, of human beings that are involved. Because of that I think that the minister should make this change. And I appeal to him to make this change because of the human aspects of the problems that are involved in this case. It will really not affect the bill that much from the standpoint of the root probem that he is trying to get at.

Hon. Mr. Meen: Mr. Chairman, one of the difficulties would be that incorporating something like this, for which I have some sympathy, as other members doubtless also do, would be that we would be injecting into the heart of this section, which deals with the use to which property is put, a reference to the category of an owner of property. So, for one thing, it is not appropriate in (d). I think what we would wind up doing, if we were to do this, would be to restructure (d), (e) and (f) and a few of the others, perhaps with some justification, as suggested by some hon. members, to break them down in their various categories and maybe make it easier to follow. These sections are not impossible to read. They have been drafted by a very competent tax expert, I can tell the members, and I would feel reluctant, indeed—

Mr. M. Cassidy (Ottawa Centre): So competent he didn't see them until an hour before the bill was introduced.

Mr. Lawlor: He must have had a field day; a state of high ecstasy.

Mr. Cassidy: Did the minister choose him personally?

Hon. Mr. Meen: I would be reluctant, indeed, to accept this amendment in this form, because it is clearly not appropriate. We could have in the regulations—in which we will be defining tourist resorts, for example—we could also have a form of definition of what constitutes a principal residence. It might just be possible—and I'd like to do this if we could—to incorporate some kind of provision for the owner of a principal residence. When he or she is required to move into a nursing home, either on a temporary or even on a permanent basis, I would like to have some provision that would take care of that situation. I don't think we can tailor it on such short notice

to fit along the lines suggested by the hon. member for St. George. I would like to be able to pick up all the problems and all the situations with respect to nursing homes and perhaps extended periods of time in hospitals.

And so you do wind up with, I think, a more elaborate situation to deal with when one directs attention to this area of concern —and it is of concern to me too—than I think we can really envisage on this short notice. Although I sympathize with the hon. member and with the points made, with some reluctance I think I would have to say I'd rather not put it in here; but bear it in mind when I am preparing the regulations and see if I can incorporate it at that time.

Mr. Breithaupt: The difficulty, of course, Mr. Chairman, is that the regulations are things which do not come before us in the ordinary give-and-take and development of discussion as we have within the committee and when we deal with a bill like this. This is an amendment which I think is worthy of particular merit. The member for Lakeshore has commented upon the fact that this subsection includes four particular items which have been put together not because they are alike but rather that this may be a convenient place in which the minister hopes to deal with these particular areas.

When the minister is dealing with the matter of principal residence then of course a clear definition of that term is needed. The matter of principal residence, as has been set out by my colleagues and by the members of the New Democratic Party as well, has shown to us I think that there are going to be examples, many of which we are aware of at the present time, that are going to cause the minister great consternation when he attempts to decide whether in fact a tax is to be exigible or not.

We have had the example mentioned of a person in hospital who might return home briefly, perhaps then go to a nursing home, perhaps then go to a relative's home and perhaps then have to decide that the matter of principal residence is certainly not going to be the home which the person left originally, no matter where else it might be. The fact then that this property is to be disposed of may attract taxation. If a person has as the only major asset of his or her older years the home that had been the principal residence, then in fact we may find ourselves in a position of taxing away a value that has been a hedge against inflation for a person who really can not cope otherwise with having any source of capital to give hopefully a somewhat easier last few years of life.

The member for St. George has carefully worked out this amendment. I think the provisions of the amendment tend to alleviate a problem with which we are familiar and with which I think we all sympathize.

I would hope that the minister would reconsider the acceptability of this amendment. Indeed, the subsection could be passed as we go on and this matter could be discussed further, because I am certain that we will be spending a day or so more on the debate as these various points are considered.

I think that the amendment is worthy of further consideration and I hope that the minister would not leave it only to the regulations in which matters such as this can be developed. I think it is important that something like this—which affects to a degree the principle of the bill—be brought before the House where we may see it and discuss it and where we may have some impact upon the decisions before they are made.

Mr. Chairman: The member for Prince Edward-Lennox.

Mr. J. A. Taylor (Prince Edward-Lennox): Thank you, Mr. Chairman.

I must say that I am very sympathetic to the amendment of the member for St. George. However, it touches on just a part of the overall problem. What frightens me is the openness of this subsection and the amount of discretion which is left to the minister, either directly or through regulation. For example, my riding is very tourist-oriented and recreation-oriented. I would like to have some inkling of what type of tourist resort might be excluded from the provisions of this section.

We are concerned, certainly in the rural areas, about the entire impact of the legislation on just about every class of landowner there is. I know that the Act really doesn't tax people, it taxes land. Really, it is a tax on designated types of land and of course that does impress the land with a lien. When does this arise? When do you call our tourist operators speculators? When do you call our little people, who have all of their life savings in their homes, speculators? When do you call our farmers—who have century-old homes, who have passed their property from generation to generation—speculators? The land values haven't nearly caught up with the land values rampant in Metropolitan Toronto which prompted this legislation to be introduced. We feel we're being caught in

this type of legislation and, in particular, this particular clause when there's no justification whatsoever and it really doesn't solve the basic reason for the legislation.

We're certainly in favour of the concept, the philosophy, of the legislation to tax the speculator, in the common sense of the word which we understand so well, in the exploding metropolitan areas. But how does this affect the tourist operators in my area?

Further along in the section, I would like an explanation of the application of this section to the subdivision of land where the servicing costs don't exceed 40 per cent of the proceeds of the disposition. I'm not quite sure how that is meant. Does that include the imposts in the form of cash levies? For example, you don't have to go very far from these chambers to determine some of the principal causes for escalating land values. In Oshawa, for example, the cash impost is $2,000 per lot which is probably 10 per cent of the value of your property which is imposed at the municipal level. That's only one impost.

If we're trying to get at keeping the price of housing down or keeping inflation down I think the thrust of the legislation is not directed in the right place. It may very well be that it should be administered at the local level. Maybe it's something that should be done at the subdivision and development level rather than at this level where we cast a net so wide that it traps all the innocent people, the little people, the weak people in Ontario who have no cause to be caught by this legislation.

This is what concerns me and this particular clause (d) is so loose I'm afraid we just don't understand where we stand. Maybe the minister could explain which tourist operators will be exempt. Maybe he could explain the type of apartment buildings which will be exempt.

For example, my principal residence is in Northport, in my riding. I have a residence in an apartment here while the House is sitting. I suppose an apartment building which accommodates people such as we who have apartments in town while the House is sitting is not one which would be caught by this legislation. But if you have other types of tenants in that building, it would be caught by this legislation. This is something I'm not clear on. Possibly the minister could comment on some of these matters.

Mr. Renwick: Mr. Chairman, if I may. I have great difficulty with the clause and I don't want to make any extended remarks; I simply want to ask the minister to let us analyse the clause step by step so we can try to get some understanding of what it's about.

Mr. Breithaupt: Let's parse it.

Mr. Renwick: Parsing; that's the word. I know the member for Armourdale will join in to assist in an understanding of this bill.

I take it that what we are first talking about is designated land which, at the time of its disposition, is predominantly used as a tourist resort of a class, kind or designation prescribed by the minister by regulation. I take it that's the first definition of the kind of land which is to be exempt? If that is correct it seems to me the key words are "predominantly used as a tourist resort." I suppose that's a factual matter but I'd like to have the minister express to me what "predominantly used as a tourist resort" means. Then I would like him to ask the kind of question the member for Prince Edward-Lennox was asking. What is the class, kind or designation which you propose to prescribe by regulation of land which is predominantly used as a tourist resort?

Could you answer those questions? Then perhaps we can go on to other areas.

Hon. Mr. Meen: I don't have the proposed regulation before me. The Minister of Industry and Tourism (Mr. Bennett) has established a definition for a tourist establishment. I think our intention in the use of the words "predominantly used as a tourist resort of a class, kind," and so on was simply to make it clear that it was the tourist resort that we would propose to exclude and not other structures and uses such as cottage properties. If someone has one or two cabins asociated with his main lodge, as a main cabin, for example, that would not automatically fall under the definition of what was predominantly a tourist resort.

I think one would look at the activities. For example, do they have tourist guides available? Do they operate a dining room in conjunction with the operation? Do they have eating facilities throughout? There are all kinds of ways in which one can look at these things.

As I mentioned, the Ministry of Industry of Tourism has worked up a definition. I regret I don't have it. It might have been of some assistance to hon. members; but we had expected when time permits—very swiftly in fact—to get on to the matter of the regulation defining tourist resorts and we would do so in conjunction with the Ministry of

Industry and Tourism as they are the ones with the expertise in that area.

The member for Prince Edward-Lennox also raised the question of apartment houses.

Mr. Renwick: Mr. Chairman, in the interests of orderly discussion would the minister stay with the tourist business for the time being, if that is agreeable to the member for Prince Edward-Lennox.

Hon. Mr. Meen: I'd be happy to do that.

Mr. Breithaupt: Mr. Chairman, could the minister send for that definition? It might be helpful to us.

Mr. Renwick: I am really rather concerned when you speak about that you think your colleague has worked up some kind of a definition of tourist operations. I don't think we can afford the minister the luxury of that kind of indefiniteness about his bill. Let me ask him a related question.

Mr. Cassidy: He speaks with his usual precision.

Mr. Renwick: Do you anticipate that a person who has land which is used for something called tourist purposes and can come to you as the minister and get a ruling from you, that, yes, for the purposes of this Act you determine that it is predominantly used as a tourist resort? Do you intend to give that kind of assistance to a taxpayer?

Hon. Mr. Meen: There are several courses of action open to an individual taxpayer, Mr. Chairman. I would not anticipate that as being the sort of thing, though, that would come to the minister. Once we have defined a tourist establishment, if he falls clearly within that definition, then I don't think he would be coming to the ministry seeking a ruling.

Mr. Renwick: How do you define it?

Hon. Mr. Meen: On the other hand, if he is in some doubt as to whether he falls within the definition of tourist establishment as established by the regulation, then he might very well come to the ministry asking for an interpretation.

Mr. Breithaupt: Mr. Chairman, perhaps since I note that there is not a quorum present, we could have the minister send for the definition while we are having the count.

Mr. Singer: That would be a good idea.

Clerk of the House: Mr. Chairman, there are 17 members present.

The chairman ordered the bells to be rung for four minutes.

Clerk of the House: Mr. Chairman, there is a quorum present.

Mr. Chairman: Will the hon. member for Kitchener proceed, please?

Mr. Breithaupt: Yes, Mr. Chairman. I had just suggested that it might be practical for us to obtain from the Ministry of Industry and Tourism the definition that the minister plans to use when the regulations are going to be designed.

In subsection (d), if we are first of all to know what is meant by "tourist resort of a class, kind or designation prescribed by the minister by regulation," then I suppose we will be able to decide where we are to go when persons come to us and say, "Do I have a tourist resort or do I not?"

The minister has suggested that it might depend upon accommodation or whether there are dining facilities. But if we do not have a definition, one can contemplate that as soon as this section is passed, there will either be an awful lot of dining rooms built or an awful lot of dining rooms will be torn down. Surely we should know just what is to be the case.

I would hope that the minister could follow up on the comments of the member for Riverdale and provide us with a definition that is to be used, so we all know.

Hon. Mr. Meen: Mr. Chairman, if we had been able to provide the definition, I think we would have incorporated it into the Act in the first place. The point is that a number of these have to be worked out—

Mr. Renwick: How can you say that?

Hon. Mr. Meen: I have a copy of Regulation 219, under the then Department of Tourism and Information, which is essentially what is in effect today. I believe there have been a number of minor amendments to it since that time, but it goes into some elaboration as to defining such things as a cabin establishment, a camping establishment, a cottage establishment, a hotel, a motel or motor hotel, an outpost establishment, a resort—and perhaps hon. members would like me to read that one to them—a tourist home, a tourist outfitters' establishment and tourist establishments under various classifications.

One of the difficulties, I am advised, is that this regulation doesn't cover all tourist homes. Those that have licensed premises for beverage purposes fall, I gather, under the Ministry of Consumer and Commercial Re-

lations and not under the Ministry of Industry and Tourism.

So this, you might say, would be the background to our preparation of a regulation that would define a tourist establishment for the purpose of land speculation, where it might not necessarily fit with the views of the Ministry of Industry and Tourism when it comes to identifying a tourist establishment for the purposes of their Act, or with those of the Ministry of Consumer and Commercial Relations when it comes to identifying a tourist establishment for the purposes of licensing under the Liquor Licence Act; then the other requirements would be imposed, which I gather are more stringent. Consequently, that is the reason for the regulation being shifted to that ministry.

But, in short, this is the start from which we would work in developing a body of regulations to properly define what constitutes a tourist establishment, which would be exempt under this Act, without creating, in the course of doing it, all kinds of loopholes through which you could drive a Mack truck and thereby let out of the net those investments which we think would properly fall within the purview and intent of the Land Speculation Tax Act. Therefore, that is about all I can tell the hon. members at the moment. The authority is in the section to prescribe these by regulation—and that is what we will be doing.

Mr. Breithaupt: It does seem rather curious to us to have the minister say, "If we could define 'tourist resort' we would do so." If the minister at this point—now six weeks after the budget—cannot come up with a definition of the kinds of areas that are either to be taxed or excluded from tax, how can we possibly deal with this kind of legislation? Surely we must know the basic ground rules —the rules of the game the minister referred to earlier—that the tourist operators of the province will have to know and deal with? It may be, of course, that because of licensed premises under the Liquor Licence Act, there will be different criteria for the development of those kinds of establishments required by the Ministry of Consumer and Commercial Relations.

We, of course, have a very general term before us; a tourist resort of a class yet to be designated. Does the minister believe that we should pass this kind of legislation now without the knowledge of the definition that he is going to use to decide upon whether these premises will be taxable or not?

Mr. Renwick: And there is a further problem that bothers me, and that is the question of whether the minister is contemplating some form of partition operation with an appropriate apportionate proration of the proceeds of the disposition for tax purposes. Perhaps I could put it somewhat more clearly. You have to look at the land and you have to say to yourself: "Is that land predominantly used for tourist purposes?" But if it is part of a large parcel of land, are you going to say: "This part can be sold free of the tax, but the other part, if it is sold as a whole block, will attract the tax?" And who is going to determine the metes and bounds description of that portion of the land which is predominantly used for tourist purposes? I would like the minister to direct his attention to that problem.

Hon. Mr. Meen: That is wrapped up in the same question the member raised earlier; the "predominantly used" part. I think that is one of the problems we face in trying to identify what constitutes a tourist establishment. A man might own 200 acres fronting on a lake—just to try and pick an illustration out of the air—and operate a tourist establishment at the lakeshore and perhaps back for 500 or 600 ft, with cabins and the like; and then, for whatever reason, be speculating on the balance of his 200-acre parcel. And that is the kind—

Mr. Renwick: Well, he may have nature trails at the back part of his property: is that predominantly used for tourist purposes? He might have a pond in the back part.

Hon. Mr. Meen: If that were for fishing, perhaps, yes.

Mr. Renwick: Or a putting green.

Hon. Mr. Meen: I think one would want to look at the whole of the operation, the establishment, the use to which the acreage was put. This is the difficulty one finds in trying to spell this out in a precise definition in an Act. We haven't been able to establish as yet precise definitions that would fit that; but the member can see the kind of problem with which we will have to wrestle.

Mr. Renwick: We certainly see the problems, that's not our—

Mr. Chairman: The hon. member for Prince Edward-Lennox.

Mr. Taylor: Mr. Chairman, I have a very practical question. The statute, as I understand it, impresses the land with a lien. That

being so, the lien may be meaningful, or it may not, in terms of dollars. In other words, it may in theory not attract any taxation, or it may attract a large number of dollars in terms of taxes. But nevertheless that lien is there, which means that it is a cloud on the title. Now, who determines what that lien represents or translates in terms of dollars if we don't have someone who can rule on it? In other words, if one of my tourist operators sells his premises, he is not sure whether he is a tourist operator or not until the regulations come out. What mechanically is the process now whereby he can complete his transaction and get a decision? We haven't got the regulations yet.

Mr. Singer: Good question. Better not put that money in your trust fund either if you have any doubt in your minds.

Mr. Taylor: So what is the answer there? And I'm not talking, Mr. Singer, in terms of this problem in a personal sense. As I explained earlier, I have a great number of people in my riding who are in the tourist business and we have a turnover in the tourist operations.

Mr. Renwick: That is a time and space problem.

Mr. Taylor: I don't have the time for that. But, I would like to know how this matter is resolved when there aren't any regulations.

Hon. Mr. Meen: The matter can be resolved even in the face of regulations. For that matter, the Act isn't law either, but the lien still potentially applies. What we are planning on doing, of course, is to have a mechanism where the proposed vendor can make application to the ministry for a ruling on the amount of tax that would be payable. And that will depend on whether he was exempted or not. If he was not exempted, then what was the price on April 9, or his acquisition price, if he acquired it after that time, as defined in the Act, and then his sale price? We can give that ruling.

We would hope to have a turnaround time sufficiently short that it could be accommodated within the normal period of time for the sale of the property so that he would know where he stood.

Mr. Taylor: So I presume there shouldn't be any negotiations until that matter is clear because there could be no meaningful contract unless he knew what the tax might be.

Mrs. Campbell: Mr. Chairman—

Mr. Chairman: The hon. member for St. George.

Mr. Renwick: A person would be a fool to sell a tourist establishment today in Ontario.

Mrs. Campbell: I wonder if once again I might not appeal to the minister in the light of all of the discussion concerning this subsection, to stand it down and to come back to it with a breakdown of the various portions of it as suggested so ably by the member for Lakeshore?

My problem is very much this. The minister is quite aware of the fact that I have supported the principle of this bill all the way through. But when we come to this kind of a section, when the minister himself at this point cannot tell us anything of the criteria that would go into establishing the class, kind or designation; when again you have the matter of the principal residence raised in the section with no provision at all to assist those in the category to which I have referred, surely these people are as entitled to have the matter properly—I say it with respect—properly thought out, as do, for example, the farmers whose case has given great concern to this entire House?

There is no question in my mind at this point—and I am not a tax lawyer and never was—that as this stands, it is neither clear nor unequivocal, and that there can be really no harm done if the minister were to stand it down and bring it back to us with the rethinking to which his direction has been invited.

Certainly, so far as I am concerned, unless and until some of these people who could by no stretch of the imagination be deemed be speculators are protected and exempted, I personally do not feel that I can support this particular section. That is a personal position that I am taking but, good night, it is exactly what we have said from the start. We are letting the barracudas slip out on the effects of this legislation and catching all the minnows. And I, for one, am not prepared to continue my support unless some recognition is given in this section.

Mr. Cassidy: Are you going to reconsider your support of the bill?

Mrs. Campbell: I have made my position clear. I have supported the principle. I am now asking the minister to please take this back—

Mr. Singer: You can't even bring the rest of your NDP caucus along with one mind on it.

Mrs. Campbell: —and rethink it or restate it.

Mr. Cassidy: Would you support the bill on second reading?

Mr. Singer: Come on!

Mr. Chairman: Order, please. The member for Riverdale.

Mr. Renwick: Would the minister also address his mind to the time problem for the use of a particular piece of land? If it is used only for a portion of the year for tourist purposes, is that a determining factor as well?

Hon. Mr. Meen: I think it has to be, Mr. Chairman. I think that has to be one of the factors one would be looking at when dealing with that regulation.

Mr. Renwick: I think you have a three-dimensional problem of immense proportions. Yes, I think it is like an isosceles triangle. I think it is impossible for you to impose this kind of tax on the people of the Province of Ontario. There is no way, just on this one particular classification, that anybody today would dare to deal in land.

Mr. Breithaupt: Certainly, Mr. Chairman, no one would dare to deal with a tourist resort because the details as to what could be logically included in or excluded from the definition are not clearly before us.

In this kind of a tax statute it is simply not good enough that an item is submitted which will allow regulation to conduct the rules upon which the tax will or will not be exigible. I would feel, as we have earlier stated, that the matter of a tourist resort is a most important one within the province. Certainly, many of the members in this Legislature have these resorts and establishments within their communities and they perform and fulfil a great need within our society.

It is simply not enough, though, to say we are going to define it on the basis of whether they have a couple of tourist cabins beside a lodge or whether the parties who own it live within the property. It is not enough to define it solely on the basis of whether there are dining facilities. We have got to have something more to go on. If we are dealing with a tax statute we must have a clear definition of the kind of area you hope to exempt from the application of this tax.

We don't have this kind of definition. I think it is deficient in the minister to bring forward this kind of a situation now with the admission that if we could define it we would do so. That's just not good enough.

An hon. member: It sure isn't.

Mr. Renwick: Mr. Chairman, the thing which comes through, and the remark which the member for Prince Edward-Lennox made emphasizes this to me in all its starkness, is you are really going to let the big fellow get away and the little guy is going to get hooked on this bill as a tourist operator.

Mr. Cassidy: That's right.

Mr. Renwick: If you take the kind of tourist operation formerly operated, I believe, by the now Minister of Health, for example—a fairly elaborate tourist operation with year-round facilities, trails of one kind or another for either walking or snowmobiling or skiing or any kind of particular activity which may go on in such a resort—presumably the whole of that property is predominantly used for tourist purposes because presumably people go there because of the extent of the facilities which are available.

But if you take—I don't know of any specific example but I assume I could find one in Prince Edward-Lennox very readily; I won't find many in—

Mr. Taylor: Riverdale?

Mr. Renwick: Riverdale? Not likely.

Mr. Cassidy: A few health spas, maybe.

Mr. Renwick: Not likely; it is mainly agricultural.

Mr. Singer: Which crops do you have?

Mr. Renwick: We will get to it when we get to clause (h); we deal with that.

Mr. Lawlor: There is a fishing village on the Don.

Mr. Renwick: There must be an immense number of small operators who use their property for mixed purposes, one of which purposes is for tourist purposes. Perhaps it is their cash income and they use it for—what?—they open it up in the early part of the year and they close it down in September or early October and that's it. Now is that land predominantly used for tourist purposes?

Mrs. Campbell: He doesn't know.

Mr. Renwick: Would the minister read into the record at least, in case anybody such as the tax foundation, has sufficient

interest in this debate to look at it? Would the minister read into the record verbatim even the sketchy definitions that he was able to get from his colleagues' ministries so that we can get some idea of the ambit of the clause?

Hon. Mr. Meen: Mr. Chairman, without abusing Hansard on that—

Mr. Renwick: It is not abusing Hansard.

Hon. Mr. Meen: Well, I think it is and I think it would be simpler to repeat that it is Regulation 219 of the Ministry of Industry and Tourism. The tax experts can look at this for themselves if they wish, or hon. members can take a look in their copies of the regulations—

Mr. Renwick: Can't we have a look at it? Can we stand it down while we Xerox some copies?

Hon. Mr. Meen: But, as I have indicated this would just be the starter. We would want to get down to possibly some other definitions.

As the hon. member was asking, what about time? Suppose a fellow just operates an establishment for a month each year; now, is he a tourist operator? I would question that, and so I'd suggest that the time has something to do with it. But, if he operates through a total summer recreational period of June through September and perhaps closes at that point—

Mr. Singer: Suppose he starts July 1, which a lot of them do?

Hon. Mr. Meen: —and many legitimate tourist operators today do not have insulated buildings. They don't have a water system that can operate through the winter months, so that it would be impractical and unfair to rule out many of those as legitimate tourist establishments.

There are others, and there are more of them all the time, building establishments that are winterized and capable of accommodating the skiing and snowmobiling enthusiasts during the winter months, as well, keeping our northland open. And they might be the ones who don't operate through the summer. So, we can't always take a calendar period of time. We might want to look at a period of time within any particular 12 months or something of that sort.

So, these are all ways in which we must investigate these, with the help of my colleague, the Minister of Industry and Tourism and others, to come up with a suitable definition. But, I say with respect, Mr. Chairman, that it certainly is not our intention to let the barracuda get away and catch the minnow.

Mrs. Campbell: It has all through the bill.

Hon. Mr. Meen: Albeit, the full-time operator who has summer and winter facilities and is clearly a tourist operator is not going to be worried because it will be clear to all and sundry that he is a legitimate tourist operator. It would be the smaller operators whom we would want to have designations that were appropriate so they would not be discriminated against.

On the other hand, we would not permit the person who was not a legitimate operator and who simply purported to operate under the guise of tourist operator for a month in say, the summer, to fall under our definition of a tourist operator and thereby escape any tax. He would be one of those whom I think we would be interested in controlling in some fashion.

Mr. Renwick: Do I take it that one of the essential ingredients of whatever definition the minister comes up with is related to accommodation?

Hon. Mr. Meen: My thinking has gone that far. Accommodation has to be one, yet one would wonder about services provided by some of the northern camps where they have guides and there isn't any particular accommodation. The guides may be operated as a very significant part of the function of the tourist camp. Nevertheless, I would think that accommodation is in some fashion related to the identification of the tourist operator.

Mr. Renwick: If my colleague will just let me just pursue that a little bit. Is an outfitting store predominantly used for tourist purposes?

Hon. Mr. Meen: I don't think it would be. I was just thinking off the top of my head on that one.

Mr. Renwick: As a tourist resort?

Hon. Mr. Meen: There is one on the Lake of Two Rivers where you can go in and buy everything from your camp stove to your tent to canoe and paddles and lifejackets and the rest of it, plus maps and guides, I suppose, and everything else. But, that kind of operation would be a merchant, I would think, or a commercial operator and would

fall under that category rather than under the tourist operator.

Mr. Singer: That's commercial.

Mrs. Campbell: That would be commercial.

Mr. Chairman: The hon. member for Prince Edward-Lennox.

Mr. Taylor: Mr. Chairman, continuing in the spirit of trying to be helpful, I would ask the minister to take into consideration the farm vacation programme, which is encouraged through the Ministry of Agriculture and Food. Here, city dwellers are encouraged to spend vacations on farms and in that way they supplement the farm income. The farmers, I presume, may or may not be tourist operators for a certain portion of the year. As I say, I don't know how that would translate in terms of the regulations, but I think that programme should be taken into consideration in drafting regulations.

Mr. Chairman: The hon. member for Downsview.

Mr. Singer: Mr. Chairman, the longer we get into it, the more puzzled I get. Take the case of an exclusive fishing resort which makes available fishing rights, say for salmon, for a limited period of the year only. You can catch salmon for a few weeks. They are entirely tourist resorts and that's all they are open for. I think there is something that the government of Ontario has—I suppose it is in private hands—up around Hudson Bay where you can go and fly in and shoot ducks for a few weeks in the year. There is another place where you can hunt polar bears under a licence.

Mr. Taylor: Polar Bear Lodge.

Mr. Singer: I don't know how long the polar bear season is, but surely to goodness we have to get some kind of specific definition in the taxing statute before we move on. We can't leave these things to arbitrary regulation over which the House has lost control once this section goes through. It doesn't make any sense.

Let me switch around just for a moment. Is it fair for me to conclude, since we are now talking about tourist resorts, that we have adopted the suggestion of the hon. member for Lakeshore and we are going to break this section down into its various parts so that they could be dealt with separately and be meaningful separately? Or does the minister believe that in debating this section he has to deal with each individual part of it? If we do have to deal with it as a whole, then I want to say something about the effect of this exemption for services in a serviced piece of land. If that does not allow for an exemption, then the minister is defeating very substantially the thought of putting serviced land on to the market in order to build more houses. If you can't bring the cost of services into this 40 per cent figure, which seems to be what the last few lines of the section say, what sense does that make?

I am thinking particularly of the piece of land in which I know someone is interested and who, hopefully is going to develop it. One of the big development problems is going to be the supplying at the municipality's request of a very, very expensive storm sewer. The storm sewer, apparently, is going to cost something over $1 million. If that gets along and the services are put in — the storm sewer, sanitary sewer and water connections, roads and all of the other services that subdivision agreements provide —and the subdivision is registered and those lots are then available, and a large, large sum of money has been made available in order to bring that land from its raw state into a productive state, does it make any sense that this is not included as part of the exemption? Why should there be a specific exclusion? I lose the minister when he comes down to these things.

Mr. Cassidy: The minister was lost long ago.

Mr. Singer: With regard to servicing the designated land, here we are, "or capital improvements, excluding any costs or value attributable to subdividing and servicing the designated land." Why is that an exclusion? Why should it be an exclusion? The desire of the statute, as I listen to the Treasurer (Mr. White) and as I listen to this minister, is to make houses available. If all of this cost has gone into subdivision development and it has made raw land available as building land, why should those costs be excluded? If they are a few dollars or a fractional percentage, yes, but where the expenses are very, very substantial, and they can be—and I gave you the illustration of one particular piece of land that I am familiar with where the cost of a storm sewer is going to run in excess of $1 million—why shouldn't that expenditure be allowable in order to claim an exemption, because the object of that expenditure is to make land available for building? I don't understand the minister

at all, and I hope he will take the suggestion made a little earlier, first by the member for Lakeshore, and break this section down into a number of subsections. Then we can deal with each one separately and we can see the full ramifications of it.

There is another little aside on the way by. Looking at the amendment put by my colleague from St. George, where she wants to exempt people who are residents in hospitals, nursing homes, senior citizens' residences or other institutions under the Charitable Institutions Act, I suppose the minister is familiar with what happens to someone who is in an Ontario Hospital and with the role that the Public Trustee then plays by statute. The Public Trustee then becomes responsible for that person's property and is charged with looking after it, selling it if necessary. It is no longer a principal residence and if the Public Trustee, with his duties and responsibilities under the various statutes which control him, goes out and sells a piece of property, which is not a principal residence belonging to a person who is an inhabitant of an Ontario Hospital, I would think that the tax is not exempt in this case either. If somebody finds himself in that position and the Public Trustee moves in and sells, as he has a duty to do, is the tax payable, then? There doesn't seem to be any exemption. I would presume it is, because it is no longer a principal residence.

I just am unhappy with the way this statute has been brought before us. It doesn't spell out these various matters. Each one of them is going to have to involve an individual argument unless the minister is going to try and con us into believing that the first of the regulatory clauses gives him the general power to exempt from tax anything that he at that moment thinks is unfair.

Under section 22(2)(a) he can exempt anything he wants at any time and for any reason. That is no way to run a taxing statute.

Surely, as several members have made the point about this particular section earlier this afternoon, the government should take this statute back, break it down into its sub parts, deal with every sub part and let us at least express our views on every one. I think, perhaps, the message will get through to the minister when the House will divide on every sub part instead of on just this one section. In relation to every different thought contained in this section before us, this statute is just inadequate. It isn't a taxing statute. It isn't finite. It isn't definitive. It isn't clear. It is begging for trouble.

Mr. Chairman: The hon. member for Ottawa Centre has indicated he wants to speak.

Mr. Cassidy: Thank you, Mr. Chairman, I will take the opportunity. Something is emerging very clearly since the start of this debate. The government, as we all know, wanted a piece of flim-flam. The NDP had suggested that in this section, and in other sections that either the law be made tough enough to stop speculation, or you may as well not have it. We can see the contorted writhings of the Liberal Party which is doing its best to wiggle out of the commitment it made on the second reading, because as far as I can see, it intends now to do another flip-flop and may well wind up voting the other way on the bill—

Interjections by hon. members.

Mr. Cassidy: The performance of the members for St. George and Downsview is clear evidence of that.

Mrs. Campbell: Stop that.

Mr. Singer: Why don't you worry about yourself?

Mr. Cassidy: And the Liberal Party, with this belief of theirs in the free market, or whatever it is, believes in this tax even less than the government does, I would suggest.

The inequities of this particular clause, Mr. Chairman, are so gross, as we have been saying during the course of the debate, people have been talking—

Mr. Singer: Whatever happened to most of the NDP caucus on second reading?

Mr. Cassidy: What's that?

Mr. Singer: Whatever happened to half of the NDP caucus on second reading?

Mr. Chairman: Order, please.

Mr. Cassidy: Most of us spoke about it, if you will look at the record.

Mr. Singer: I know, but you were away that day, that's—

Mr. Chairman: Will you return to comments on section (b)?

Mr. Cassidy: On this particular section, Mr. Chairman—

Mr. Singer: Yes, sure, you didn't like what the leader decided.

Mrs. Campbell: Self righteousness.

Mr. Cassidy: Let's just look at this particular section which is being proposed by the government. Is the Liberal Party going to support this section, then? I don't know what you are going to do about it. Does the Liberal Party support the exemptions for commercial and industrial property?

Interjections by hon. members.

Mr. Chairman: Order, please.

Mr. Cassidy: Or does the Liberal Party believe that people should be taxed on their speculative gains tax but that corporations should be exempt? Because that is the effect of this particular section.

Mr. Taylor: You are all mixed up.

Mr. Cassidy: No, I am not mixed up. It says very clearly that any industrial property—

Mr. Chairman: Order, please. Will the member for Ottawa Centre direct his comments to the Chair on section (b)—through the Chair to the minister?

Mr. Cassidy: Mr. Chairman, I have been speaking to you right through, and as a matter of fact—

Mr. Lawlor: It is as if you were the only one present, sir.

Mr. Cassidy: No, there are several points I want to make about this.

Mr. Singer: You usually ride right through and miss the point.

Mr. Cassidy: We have spoken about the barracudas and the little fish, and the first point that was raised was about tourist operators. I would point out to the minister that if he is in the business of making exemptions—and I wish he weren't, because I don't think this section is supportable—but the people around the Province of Ontario who run camping operations as a means of making a summer income and contributing to the good health and good recreation on the part of the people in the province will not be permitted the exemptions given under this Act to the Frank Millers and the other proprietors of tourist lodges, because clearly they do not have 40 per cent of the value of their property invested in buildings or capital improvements that exclude subdivision and servicing.

What investment they put into their campsites, if in fact there is any, is in what one might call subdividing and servicing. They put in a road to get to the site. They put in water. They may put in sewage facilities for the big trailers and that kind of thing. But there are, by definition, few or no structures on a commercial campground, and yet that is going to be covered by this particular tax. Well, Frank Miller's lodge will not be covered.

Secondly, in my particular riding of Ottawa Centre—I'm sure this is the case in other ridings as well—there are, according to municipal zoning, large residential areas that are zoned for use for offices as well. And there are houses there inhabited by people which, according to the zoning and without municipal permission or without going before the Ontario Municipal Board, can be turned into offices, warehouses and a number of other commercial or small industrial uses.

It is clear that anybody who wants to speculate in that kind of property simply has to have some kind of a floating industrial-commercial operation. And when they buy a house for speculative purposes, or if they have a house that has now come under the Act, then a few months before they are prepared to sell, they should put in an office there—maybe even give it to some charitable organization, to a LIP project or something like that, for use as an office for a few months until they are prepared to sell. Or maybe they can give it to a small industrial concern, a tailor's operation, a leather-working operation, somebody who is in the business of making repairs or something like that. It can be easily done. The tax can be evaded. Then you go back to using the house for residential purposes. That apparently is permitted under this particular Act.

If it's a large tract of land that is currently used for commercial or industrial purposes, nothing will be done.

If it's land owned by Inco, which was bought for $1 an acre and is now being sold for $50,000 or more an acre, as was raised by the member for Scarborough West (Mr. Lewis) during the question period, that won't be covered.

If it's a very large shopping centre, where the proprietors in effect make themselves a land bank out of the parking lot, and ultimately intend to develop that land as well, that will not be covered.

If it's a large industrial concern with hundreds of acres which it intended to hold, ostensibly for industrial purposes but which they can, and often will, very easily convert to residential purposes, which are of higher value, again that will be exempt.

And, as the minister knows, if it's a large corporation that is developing land, that is exempt.

The charge that the small fish are affected and the barracudas are exempt is a very real one, Mr. Chairman. And it is summed up in this particular section which allows such enormous loopholes in the Act that anything else in the Act simply lacks credibility.

I would suggest to the minister that if he wants to bring in an effective kind of tax, he's got to remove this section from the bill. Otherwise he hasn't got a bill that will work.

Mr. Chairman: The hon. member for Kitchener.

Mr. Breithaupt: Mr. Chairman, I just wanted to follow up some of the comments of the member for Downsview with respect to the matter of the tourist resort idea.

I think, as was first suggested by the member for Riverdale, that it is worthwhile to go through this subsection in its various component parts so that we can define and deal with each of these areas as we go through the piece.

I realize that there are a number of members who may wish to make their comments generally on this subsection because they have other commitments. But I'm wondering if the minister could come to some understanding with us concerning the breaking-down of this subsection.

Would the minister, for example, be prepared to stand down this subsection so that it could be redrawn into its four component parts so that they could be dealt with and discussed generally? Or, on the other hand, does the miinster feel that these four items, which are somewhat disparate, should all be dealt with in the same subsection?

Hon. Mr. Meen: Mr. Chairman, I don't believe that any useful purpose would be served at this time by standing this down for any redrafting. Contrary to what the hon. members say, I think that subsection (d), disparate though some of the classes may be to which reference is made, is a cohesive subsection. I would draw to their attention that roughly the last half, I guess, of that subsection refers to the classes referred to in the first half of the clause.

Perhaps I would just take a moment and read the section to the hon. members and delete one clause in reference to rental residential accommodation for the purpose of the principal residence of the lessee. If you delete that little exception, I think you may find the clause reads somewhat more easily:

> When the designated land disposed of is, at the time of its disposition, predominantly used as a tourist resort of a class, kind or designation described by the minister by regulation, or for commercial or industrial purposes—

Let's stop at that point for a moment and then go on and read the rest of it. You'll see that is qualified. It says:

> —and if the designated land so disposed of contains buildings, structures or other capital improvements, excluding any costs or value attributable to subdividing and servicing the designated land, that have a value, at the time of disposition, equal to 40 per cent or more of the proceeds of disposition of the designated land.

At least half, if not more—there are six or eight lines in there—modify the preceding classes, to which I've made reference—the tourist, commercial and industrial. And the industrial and commercial are qualified by the phrase I deleted for the purpose of some clarity in reading the section, namely, the reference to other than rental of apartment suites or residential accommodation. These are all without commas, so I'll just read that again.

> —other than rental of apartment suites or residential accommodation for use as the principal residence of the lessee.

We've excepted that from commercial or industrial because they fall in the general commercial end. We've exempted that because we have now section 20 which looks after residential accommodation, or under the general term of investment.

I don't think there's anything to be gained by splitting that section up. I see no merit in it, if the hon. members can understand the various categories that are covered and the qualification, that under a tourist establishment also the value of the buildings, structres and capital improvements, exclusive of the cost attributable to subdividing and servicing the designated land, whatever that might be, that have a value at the time of disposition equal to 40 per cent or more of the proceeds of the disposition. That does qualify to some extent and in a very clear fashion, I think, the characteristics, at least in some measure, of a tourist resort or of a commercial or industrial operation. It couldn't be vacant land and still qualify, for example.

Therefore, I think I've answered the questions placed by the hon. member for Kitchener. I think at this time the section

should stand. It might be that at some time in the future, when we have some experience with the application of this section, we might want to break it down. But this, plus the regulation, should do what we're seeking to do by way of identifying these various classes and limiting them as much as possible. We don't want to have every single operation of any kind fall under thest exemptions.

The hon. member for Ottawa Centre suggests we simply take it out. I think that would commit a gross injustice on many legitimate tourist operators. It is quite improper to consider deletion of that subsection. It is, therefore, a very good reason and I suggest it should stay there.

Mr. Cassidy: It is going to hit the little guy, while you let the big guy get through.

Hon. Mr. Meen: I come back to the suggested amendment by the hon. member for St. George. She is talking about an ownership identification when, in fact, we're talking in this section about a use. She's also talking of the person who owns his or her own house and moves from that to hospital or to a nursing home or whatever. Under clause (d) we're talking about rental of apartment suites or rental of residential accommodation, if I can read that in, so she can see what I'm talking about there.

Mrs. Campbell: It could be either.

Hon. Mr. Meen: It is not appropriate then, to put anything of that sort into this subsection.

Mr. Chairman: The hon. member for Lakeshore. I am sorry, you haven't finished.

Mr. Breithaupt: I just wanted to finish making one point, since the member for St. George's amendment has been referred to, sir. You may be in a position, of course, where if this amendment were accepted you would protect the person who has in the meantime rented what was otherwise the principal residence to some other party, in order to maintain it while that person may be in hospital or under some extended care programme. Just the fact of rental isn't the only criterion. Indeed it may have to be rented in order to pay for other care, or just to maintain itself, so that taxes are taken care of and there are moneys for necessary repairs and that sort of thing.

Mr. Chairman: The hon. member for Lakeshore.

Mr. Lawlor: Yes, Mr. Chairman: the somewhat pretty little speech just made by the minister bemuses in that he has conceded all the points and nevertheless taken back nothing. I put it to you, if he had to do it over again, he would certainly not bring this conglomerate before us. He would have it segmented out intelligently—

Mr. Cassidy: That's it.

Mr. Lawlor: —so that it would be possible to read it intelligently. But that's as it is. There are points in debate where one hits the boundaries of despair. I hit it exactly 3½ moments ago. However, there is sufficient hope left in the human breast to mention another feature, this 40 per cent feature.

Woe betide those—I speak Jeremiah-like—woe betide those who invest any money in commercial land premises under this legislation, because while they may have bought land with a building structure on it at 40 per cent of its overall value, the most terrifying thing in the world can happen to them. Their land values could just possibly go up. And if in that particular area this should happen, and land values were anywhere commensurate with what they are at the Park Plaza Hotel, or in the heart of central Toronto where land values are obviously very often much higher than they are for the structures that are found on them, over the years your structure value could decline and your land value rise. Unless, with a move of the elbow and a strenuousness of effort—almost Herculean—you can keep that 40 per cent balance then one day you coud have sold free of the tax of 50 per cent and the next day, lo and behold, you could be caught completely within the net.

And so you are forced to make capital improvements to the property so that that balance may be maintained. And second under that head, and I think it's been mentioned before in this debate but not strenuously enough, you must bring upon your own head, and upon the head of all enterprises in the province — commercial, industrial, or otherwise; the whole works—an administrative and actuarial nightmare. Because as property values shift in the community and the little plant that the little guy was working out of deteriorates in value, depreciation takes place. Land values go up. The owners of such properties have to watch, with the greatest possible adroitness and care, not to become the partner of the government in their eventual sales—the government could become a partner to a very determinative extent, as you

know. The government's claims could well rise to 75 per cent in the case of any emolument or gain the owner of the property may make on the property as a whole.

Such a property owner, I suppose, will need all kinds of engineering advice, various forms of actuarial advice, and advice from people who are capable but high priced in the nature of assessment, to see that he remains in balance and that along the line decline doesn't take place. Even if it is wholly beside the point and of no great value, he must expend moneys in order to maintain the building value over and against the property itself.

You're building into the whole operation here, into the cogs of the machinery, a particularly damaging, wasteful and stupid aspect of capital expenditure. This is a breach of any notion of maximum best use made for properties and for land.

As I say, you wake up in the morning and find that you are being mulcted; that you are in effect being expropriated of a land value which a few weeks previously, or certainly a few years previously, was well in balance.

What do you do with all that sort of thing? I mean, how do you see it? Do you just shrug your shoulders and say: Well, that's how the world falls out?

The small commercial enterprise, the corner drugstore, the corner barber shop, or any other number of people, who have their buildings in this particular state now find that the values in the community have shifted the full weight of this taxation onto their shoulders. This may have been their retirement possibility. They might have been able to come to a desmene where they could breathe free of the speculation land taxes of this particular kind. They may have wanted to retire with a little condominium in Spain that I read about in the morning newspaper. You can pick one up for about seven or eight thousand bucks.

But no! The government has relieved them of all that sun. They don't have to worry about going off to foreign parts or any tropical luxuriance. The basic wherewithal with which that might have been done has been extracted from them at the bowels.

So this is the way it falls out; that's the way society is; that's the way we run things. They have taken their chances by living with us this long, and this is the penalty they pay for finding this a rather pleasant place to stand or to be expropriated.

Mr. Chairman: The member for Prince Edward-Lennox.

Mr. Taylor: Mr. Chairman, I wonder if the minister could clarify a remark on a question I asked earlier concerning the aspect of value in dealing with the servicing and subdivision of the land itself. I believe the member for Downsview subsequently raised this point.

I gather the section exempts only those lands where the buildings or improvements on the land equal at least 40 per cent of the sale value of that land. A tourist operation, for example, that had a very heavy investment in land but a low investment in buildings, would not come within the exemption.

There may be other examples of commercial or industrial operations where that might apply. They could include an industry that may be planning for future expansion, for example, that has a larger land holding than it immediately needs. It seems to be the trend today. Someone that has a commercial operation which might include a great deal of land for parking where you have a low parking turnover, would have a large land area but small building improvement area.

I don't know how a drive-in theatre would fit in. There is a screen and minimal facilities in terms of structures, but a large land area to accommodate the cars that come on the premises.

Mr. Singer: Put in heavy roads or big water pipes or sewer pipes.

Mr. Taylor: If we are faced with that situation, then I would like an explanation of the rationale in not permitting what would normally be termed development costs insofar as servicing and the conditions that may be imposed by the municipality for permitting this development to take place in the first case. It may be in terms of internal roads, internal storm sewers, drains, other types of sanitary sewers, parking standards, buffer and retaining walls. There are many areas that are really servicing costs which could be very large but apparently would not be permitted under this. I was wondering if the minister could enunciate the rationale?

Hon. Mr. Meen: Mr. Chairman, the rationale behind all of this begins when one looks at development from raw land to serviced land; I think we went into this in some depth on second reading.

What you wind up with is an eventual decision that you are not going to permit

somebody to escape a land speculation tax if, for example, all he does is achieve a rezoning and makes no physical improvements to the land. Now suppose he has brought in a watermain or a sewermain or has put in a road. Are you going to permit that? We eventually decided we should permit profit from that stage of development only if houses are built on it.

The hon. members will recall that the original sections imposed a tax under section 21 unless covenants are extracted from builders to commence construction. Of course for any particular parcel with these services, what we were looking at were, you might say, the above-ground values.

The figure of 40 per cent for the percentage of the realized cost on disposition is perhaps arbitrary. We had looked at 50 per cent originally, but that looked a little bit on the steep side. On the other hand, we don't want someone to escape a land speculation tax by allowing him to put an absolute minimum of investment into the property, keeping it as, say, a parking lot with nothing more than a little shack in which the attendant would stay and keep his records.

When you try to draw a line someplace, you will have people arguing that it is arbitrarily high in some instances and in other cases, just as arbitrarily low. The figure of 40 per cent was selected as a figure which we felt was not so high as to be unconscionable, but sufficiently high that the person seeking to escape the speculation tax would have to have had a quite substantial investment in the above-ground improvements to the property. Therefore, we have the exclusion in clause (d)—when talking about commercial properties, tourist establishments or whatever—of the 40 per cent of the realized sale value after you exclude costs or value attributable to any subdividing or servicing of that land. That is the background of it.

Mr. Taylor: Then I presume the land would not be exempt if improvements in other than the servicing costs did not exceed 40 per cent of the value of that land? Now let's assume the servicing costs might be 50 per cent or 60 per cent of the land value. If that is so, then the land would not be exempt and presumably the tax then would apply to a transfer on that land and the transfer price would have to include the cost of servicing. Are you paying a 50 per cent tax on money you've already spent to service the land? If so that's confiscation.

Mr. Singer: Mr. Chairman, in Cobourg, a municipality you are familiar with, there is a large, partially undeveloped industrial subdivision owned by the Ontario Development Corp. It has oversized, heavy-duty roads; it has buried electrical services, large mains dug into the ground and so on. Presuming that was not in public ownership and someone wished to set up that kind of development of raw land for a heavy-duty industrial purpose, whatever incentive might exist is taken away.

Why would anybody in their right mind want to do that? Because they are going to be taxed—and so is every piece of land they sell to erect another industrial building which would put people to work, pay taxes and so on; there's no point. Had Cobourg had to be faced with that some time ago that wouldn't have been there but now they have some choice industrial land with good, heavy-duty services which will attract industry—good industry—and make the area prosperous; but you are just putting the kibosh on that.

Your distinction, your idea as to where you draw that line, loses me entirely. That's why I used a little earlier the example of the one particular piece of land in another municipality in the province where the big development problem is the construction of a $1 million storm sewer.

That's a lot of money; and if that is the condition of development, it may well be that the owner will choose to put that in if he can take advantage of his expenditure. But if he's going to be taxed after he's put it in, why should he? What's the purpose? You are discouraging, on that second piece of land, the erection of any houses.

You become self-defeating; all the way through this statute you are self-defeating. Surely that particular exemption has to be looked at—actually it's an inclusion, it's not an exemption; that particular inclusion has to be looked at. You have to be somewhat realistic about the cost and the effort of turning raw land into serviced land and making it available for use.

Surely that is the whole object of the exercise? You want to make it available for use, for the building of houses. If you are going to make the taxing restriction such that all of the money put into the ground doesn't count as a couple of the members were saying who would want to sell a tourist resort, or who is going to want to service a subdivision and take that risk? Nobody!

Hon. Mr. Meen: Mr. Chairman, I repeat what we said on second reading—that where

we have the covenant to build there's the incentive to buy. There is no disincentive, then, to the seller. Indeed, there is an incentive to the developer to get buyers for his lots when he has put in his services who will covenant to build commercial, industrial and residential; within the overall competence you might say.

Mr. Singer: Isn't your covenant in 21 just residential?

Hon. Mr. Meen: No, it is not. I would suggest that the developer who puts in this kind of service simply has the additional incentive, having gone that far, to see that he gets people who purchase to covenant to build. I would hope it is not counter-productive. The intention of this legislation is to be an incentive and not to have any counter-productive influence.

Mr. Chairman: The member for Ottawa-Centre.

Mr. Cassidy: I raised a point a moment ago with the minister about the transfer of use of a residential property to commercial and industrial use for temporary purposes as a means of avoiding the tax. Could he comment on that?

Hon. Mr. Meen: I am sorry—would you repeat that please?

Mr. Cassidy: Yes; the conversion of a residential property to a commercial or industrial use in order to evade the tax, in a temporary kind of fashion. I am suggesting there are a number of instances in which that could be relatively simple to do. Secondly, the minister has made available to me the regulations under the Department of Toursim and Information, nition where the minister will use his which means it must predate about 1967. I am not sure when the name of the department was changed. At any rate, I may say that I have sought vainly in the library to get these regulations, and I appreciate the minister finally letting me have them.

The tourist establishment definition here, which he says he will use as a model, includes hotels, motels and tourist homes, as well as other things that I think we had understood we were talking about. I think we all had the idea we were talking about Frank Miller's spread, about the idea that a hotel would be covered or that a tourist home would be covered. But the minister said this would be the base, and of course that's where we are running into the problem. We are working with a definition where the minister will use his powers, under the regulation section, presumably to come up with a definition some months after this particular bill goes to bed.

Perhaps for clarity's sake he could give us a ruling on one particular case. What will be the treatment of apartment-hotels? Will they be covered under this section or will it be required that they be held for eight years before they become fully exempt from the tax according to the later section set up in the bill for apartment houses?

Hon. Mr. Meen: Well sir, I think that might be one case one would have to look at. I don't know much about apartment-hotels and the way in which they are operated, although I think they are operated on a fairly long-term lease basis. More so than a conventional hotel. If that were so then it might very well fall into the category of an apartment, rather than a commercial operation.

I think we would have to take a look at some of these and see what kind of leases they sign with their tenants. If they are yearly leases or so, I think that would bring them into the general category of apartment. Whether they call themselves an hotel because down in the basement or on the main floor there is perhaps a sophisticated dining lounge available to the people who occupy the various apartment suites or a swimming pool and other things that have been made available only to those who sign on their longer term leases, that kind of thing is a guess. The distinction between an apartment operation that doesn't have all these things—they may have swimming pools but they don't ordinarily operate things like dining rooms, lounges and shops —and the commercial operation of an hotel, would be something that we would have to determine, to spell out in regulation form.

Mr. Cassidy: Well can I make this suggestion? I will be voting against this whole section. It is convoluted, it is badly drafted, it is confusing, it is wrong and it's inequitable. But if the government somehow decided that it was going to make a distinction between long-term transfers of property and short-term transfers—and that's what is proposed later on in the case of investment or rental properties—then I serously wonder why, if it feels that's okay for investment properties, it couldn't apply that to commercial-industrial properties as well.

I happen to think that everybody has to be hit with the tax if you are going to have it at all, because you want an effective weapon to stop speculation rather than to have the government simply to put its hand in the pocket of speculators while allowing them to continue with their business. Surely, if it is argued that somebody who has an investment property, an apartment or something like that, for several years is in a legitimate kind of business and therefore should not be subject to the tax, one could make exactly the same argument for a commercial or industrial operation as well.

The kind of distinctions the minister is now talking about in deciding about an apartment-hotel, whether it is an apartment or hotel by looking at the leases, or whether a place offering maid service where corporations rent on a yearly lease because they use it for visiting executives, is a hotel or an apartment, are distinctions that become almost impossible; and I think the minister would agree. The test of time, if you are going to have any kind of distinction, might be better. Then you would get away from the situation where General Motors of Canada Ltd. or one of these high-powered conglomerates with rather shaky financing and rather questionable antecedents was playing around in the market of industrial land, secure in the knowledge that it couldn't be caught as long as it made sure that the sale was for industrial purposes, even though it was really trading in industrial values that would ultimately be traded to residential values.

You could get at that kind of situation if you had a time rule in it, so that they would only be exempt from the tax if, in fact, there was a legitimate holding for a period of six, seven or eight years. That would make a lot more sense than what is suggested here.

Hon. Mr. Meen: There may be something in what the member says. It is clear, of course, that we began this exercise not really aiming at the commercial and industrial sector, because we weren't as concerned about speculative gains from that quarter as we were about the unconscionable speculative gains—

Mr. Singer: It isn't an exercise, it is a taxing statute.

Hon. Mr. Meen: —that were going on in the residential quarter.

I think as we developed this legislation it became apparent we had to have some kind of restrictions here. It may be as we develop our experience along this line it will be possible to see a course of action something like the one suggested by the member for Ottawa Centre. It is going to be awkward at times, I suppose, to identify the commercial operation and distinguish it from a commercial operation that is not residential rental, so as to apply the differential rate. It might be easier if we didn't do that.

As the member suggested, he'd tax everybody. We are not proposing to do that right now, because I think we can distinguish the two at the present time without too great difficulty. I'm no expert in this area, but I would think my staff in the assessment division can pin-point the areas to identify, for this purpose, commercial activities, commercial purposes and hotel operations from the true residential rental accommodation to which we are according a different—and somewhat advantageous position in a way from certain others—but a different kind of treatment from that accorded the straight commercial operation.

I think in time we might just see some kind of a provision like the method suggested by the hon. member, but I think at the present time we should go with what we have. We think this one can work, and we are confident that it can.

I find the member for Ottawa-Centre a bit of an enigma when he attacks everybody, but on the other hand he would vote against the whole of this bill. That is rather an anachronism, it seems to me.

Mr. Cassidy: Sure, because of the exemptions that are built in here.

Hon. Mr. Meen: I think that clause (d) as it stands is clear when one has worked his way through the various sections. Taxing statutes have to be about the most difficult pieces of legislation one can ever try to interpret. I think the section is clear as to what the various categories apply to and should be supported by all hon. members.

Mr. Cassidy: It is so tall and wide a section, Mr. Chairman, that one can drive through it with a fleet of cars or trains side by side, and that is why we are opposing this particular set of exemptions.

Mr. Chairman: The member for Kitchener.

Mr. Breithaupt: Mr. Chairman, the member for St. George has put an amendment which we believe should be included. If the minister chooses not to accept the amendment and is not prepared to amend with a

proper definition of "tourist resort," then we shall vote against the subsection, and we invite the member for Prince Edward-Lennox to join us.

Mr. Chairman: I will place the question. Those in favour of Mrs. Campbell's motion, will please say "aye." Those opposed, will please say "nay." In my opinion, the nays have it. Shall we stack this?

Mr. Singer: No; no stacking.

Mr. Chairman: Call in the members.

The committee divided on Mrs. Campbell's amendment which was negatived on the following vote:

Clerk of the House: The "ayes" are 30; and the "nays" are 51.

Mr. Chairman: I declare the amendment lost and clause (d) carried.

In clause (e) the minister has an amendment.

Hon. Mr. Meen: Mr. Chairman, this is a fairly lengthy amendment and perhaps I might move that clause (e) of section 4 of the bill be amended by adding at the end thereof the underscored section as it appears in the copies available to the committee for the purpose of this debate.

Mr. Chairman: Shall we take it as read and dispense with the reading?

Agreed.

The member for Lakeshore.

Mr. Lawlor: Yes, I have already indicated one question which arises out of this principal residence section, which the minister will recall I trust, namely the interim time. If somebody buys a house—if you or I bought a new house this afternoon without selling the old house, we would, I take it, have established a principal residence other than the principal residence we had two minutes before we bought the principal residence in question?

What happens to you when a month or so later, or even 10 days later, you sell that property which was previously your principal residence? It can no longer be considered your principal residence, I put it to you, on any interpretation or construction of this legislation.

In other words, you are going to be up against a tax in that particular context. The only thing you can possibly do, even with respect to so commonplace a thing as selling your own home, is you are going to have to pay a tax on the damn thing. Is this the purpose of this legislation? By what construction of wording do you try to circumvent that?

Hon. Mr. Meen: No, Mr. Chairman, I think under the circumstances outlined by the hon. member, the principal residence would not have been changed at that point. The principal residence would be, in the colloquial, "where one hangs his hat." And when he sells his existing home he will move into the new home and that would be a change of residence. It would not be my intention that the Act should apply in circumstances such as that to impose a tax on an individual who had bought a new home intending to move into it when he sold his old one; where there was any transitional period of that sort it would not be intended to apply the tax.

Mr. Lawlor: Well, lets put a case which it will be slightly harder to accommodate in your proposition. Very often people do buy another house without having sold their existing house, and actually move into it long before they get the other marketed and sold. Is the index of the transfer the fact that you move into another house?

Then you say that is not your intention. But that's beside the point. Your intention in legislation must be spelled out. We want to know what your intention is. To state here that you don't intend any such an egregious effect and that you are hung up on an oxymoron, is neither here nor there. The courts don't listen to what you or I say in these chambers or anywhere else and therefore it can't have that particular impact. Shall I continue in this diatribe or shall I—

Mr. Chairman: The hon. member for St. George wishes to place a sub amendment; perhaps before 6 o'clock we might do that and consider the whole thing afterward. The member for St. George.

Mrs. Campbell: Mr. Chairman, this may come as no surprise to the minister.

Mrs. Campbell moves that clause (e) of section 4 be amended by adding after the word "dependent" in the fourth line thereof the following:

Or by a person resident in a hospital, a nursing home, a senior citizens' residence, or any other institution under the Charitable Institutions Act.

Mrs. Campbell: In view of the fact that my friend from Lakeshore has ceded his position to me to place the amendment, I shall not debate it further at this point, Mr. Chairman.

Mr. Chairman: I might receive it, but it seems to me the minister's amendment deals with the latter part of it and yours is an entirely new amendment. It is not an amendment to his amendment is it?

Mrs. Campbell: No, it isn't.

Mr. Breithaupt: They might be dealt with as two separate matters, Mr. Chairman.

Mr. Chairman: I think they should be considered separately, yes; I will place it later, after we have disposed of the minister's amendment. Is that satisfactory?

Mrs. Campbell: Mr. Chairman, I have other duties tonight. I would like to have it placed.

Mr. Chairman: Fine. I have held that I have not placed it.

It being 6 of the clock the House took recess.

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Evening Session

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LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, MAY 21, 1974

The House resumed at 8 o'clock, p.m.

LAND SPECULATION TAX ACT
(continued)

Mr. Chairman: Order, please. When we rose at 6 o'clock we had two amendments to section 4(e) of the bill. The first one was placed by the hon. minister; the second which was read by Mrs. Campbell, we haven't put before the House yet since it's an entirely separate matter that's being dealt with. I would propose that we deal with the minister's amendment first of all. The hon. member for Peel South.

Mr. R. D. Kennedy (Peel South): Mr. Chairman, just before we proceed, I would like to introduce to hon. members the members of the YPC from the riding of Peel North.

Mr. Chairman: We will deal then with the hon. minister's amendment first of all. The member for Waterloo North.

Mr. E. R. Good (Waterloo North): The implication of the minister's amendment, I presume, is that if the designated property is a principal residence and the owner has a roomer or a boarder occupying part of that principal residence, the amendment could be interpreted that a portion of that property would be subject to tax even though it is basically a principal residence.

I personally don't see the value in that type of amendment going in when under normal circumstances income from roomers or boarders is exempt, I think, under certain sections of the Income Tax Act. I think it's perhaps catching certain properties which in no way can be construed to be speculative properties.

On the other hand, if the amendment also covers, say a person who has a 16-plex apartment building and he's living in one of the apartments, this amendment is probably drawn so that the whole apartment would not be exempt as the principal residence of the transferor.

However, the way it is written I think that either case would be caught in the net of this amendment—whether you are exempting only the apartment in a large apartment building occupied by the owner when the property is transferred, or whether you are exempting only the portion of a house which is occupied by the vendor or the transferor in relation to a couple of roomers or boarders as occupying part of the house.

That, to me, is getting pretty picayune when we are trying to fight against speculators. I don't think a proprietor or a transferor who has a couple of roomers or boarders should be considered as a speculator in that sense of the word.

After the minister has replied to that I would like to say a word regarding the other amendment put by the member for St. George (Mrs. Campbell).

Hon. A. K. Meen (Minister of Revenue): My intention in this amendment has been to cover a case where an owner occupied part of a duplex or a triplex or one of his own suites in his apartment building, and to treat that portion of his investment differently as obviously exempt from the way in which the remainder of his investment property would be covered; and that came about because of our addition of the new section 20 which deals with investment properties.

It seems to me that this might, on the face of its wording, cover the case of a roomer or a boarder; but that had not been my intention. I've been thinking of this type of dwelling unit, that is where there are segmented portions and fragmented portions of a dwelling unit in terms of a room rented to someone who perhaps takes his breakfast and his dinner with the main household, in a very different sort of way from the apartment dweller, who in fact has his dwelling unit separate unto itself. It had not been my intention to cover the roomer or boarder situation.

Mr. Good: Mr. Chairman would the minister not think that section 20 will then apply to the remainder of an apartment building not occupied by the transferor? If it were

a 16-plex and he occupies one, the other 15 apartments in the building would then fall under section 20, whereby they would be exempt from tax if they have been held the required length of time as shown under subsection (2) of section 20.

Hon. Mr. Meen: Yes, that's so Mr. Chairman.

Mr. Good: That would be so, but the interpretation of section 20, I don't think would apply to one room in a house which has been occupied by a roomer in a private, principal dwelling of the transferor. Therefore he who is further down the ladder of speculation, if there be such a ladder or such a category, would be caught in the neck of this clause (e) under your new amendment and I don't think he should be; and I don't think the minister thinks he should be. But I can't see any way whereby he would not be caught.

Hon. Mr. Meen: Section 20, and we'll get to that in due course, section 20 deals specifically with investment property, such as housing accommodations.

Mr. Good: Yes.

Hon. Mr. Meen: But it was necessary to add this at the end of clause (e) when we got to thinking in terms of investment properties in order to exempt from the delnition of principal residence, areas that were contiguous to it and part of it, such as triplexes and the like, when the designation of a principal residence took place; and when for that matter a sale of the principal residence, which would undoubtedly in the circumstances include a sale of the other property, would take place at the same time. I suppose it is possible to deal off a portion of a duplex or triplex, but I don't imagine that that's too commonly done.

The hon. member I think is ad idem with myself on the undesirability of trying to fragment off and tax a room, a bedroom, for example, rented on a rooming basis by the week or month or whatever, from the general exemption provided for the principal residence. As I say that had not been my intention. I had not intended, as evidently he does not, to catch that up in the net.

Mr. Good: But it is caught, wouldn't you say?

Hon. Mr. Meen: Well it is possible. But we can always have, and this is my view of this, interpretation statements, the way the federal people do under their Income Tax Act—a statement of interpretation on the way in which they view certain of their sections for purposes of assessment of tax. Whether we did it by an amendment, and I don't think that is necessary, or whether we did it by an interpretation for the benefit of the people who might think themselves otherwise potentially caught under this, I think I can tell the hon. members with confidence that it would be not my intention to try to catch them.

Mr. Good: Fine, well I'm satisfied with that, Mr. Chairman.

Speaking to the other—

Mr. Chairman: The second amendment is not before the committee.

Mr. Good: Oh, the second amendment is not before us? I'm sorry.

Mr. Chairman: No, we are just dealing with the one amendment placed by the minister. The member for Yorkview.

Mr. F. Young (Yorkview): Mr. Chairman, in respect to the definition of principal residence and the whole problem surrounding it, I had occasion the other evening to speak briefly with the minister about a communication which I received, and I gave him something of the gist of it. We didn't have too much opportunity to discuss it in detail, but I'd like to present some of the excerpts from this letter to him and ask him for his advice in connection with it. I don't think the intention of this Act was to catch the man who is trading one house for another, and who, in that transfer may be caught in the present dropping of the sales' pace in the housing market.

If I may, I will quote from a constituent who says:

> My wife and I bought a house in 1968. Early this year we decided to purchase a larger home and signed an agreement of purchase and sale for a new home giving the builder a $10,000 deposit, with the transaction to close on July 26, 1974. Of course it was our intention to sell our present home and contribute all the net proceeds towards the purchase of our new home, and we have arranged a new mortgage for the balance. Essentially, it was a transfer of our equity from one house to another. Accordingly, we have offered our present home for sale, at first privately and now through an agent.
>
> Unfortunately, we now find ourselves in a precarious position. As you know, the

real estate market in Metropolitan Toronto has experienced a turn about. We are having a great deal of difficulty in obtaining a purchaser, and assuming our house is sold it is almost certain that we will be obliged to let it go for a drastically reduced price. This in turn means that our mortgage on the new home, assuming that it can be increased from the present commitment, will be for considerably more than we can afford. In short, home ownership has been made a hardship for us, a result directly contrary to the spirit and intention of the proposed legislation. We are obviously not speculating, but we find ourselves now competing with certain speculators who are dumping properties on the market.

Surely, then, the government owes some responsibility to persons like us who are inadvertently caught by its effect. I appreciate the provincial government alone cannot be blamed, as the interest rates available to mortgagees generally have played their part as well, but it does appear to me that the government must bear the same responsibility for our problem as it takes in credit for depressing the market. Therefore it appears to me that persons like ourselves, typical of many others, should be entitled to some measure of relief.

And then he goes on to outline some measures which he feels could be taken by the government, and which I don't want to take the time to quote here tonight. But he gives some suggestions of possible compensatory action, along with a cut-off date so that it could not be extended beyond a certain time limit.

In a situation like this, I believe that if the sale of their present home lags, and in order to get a fairly decent price the sale is delayed for two or three months, the feeling is that the sale might then be subject to the tax and these people are caught not only in the present bind but in a future bind on this tax.

And so I bring this situation to the attention of the minister. I don't think the intention of the Act is that people like this should be penalized, but perhaps it does need some clarification for the benefit of those of us who may not be too clear on it.

Hon. Mr. Meen: Mr. Chairman, the hon. member for Yorkview did outline that case to me the other night, and I think I observed to him at that time that it crossed my mind that maybe his constituents were, in fact, speculators. They didn't have a purchaser for their own home. They committed themselves on the purchase of a new home, with $10,000 down. They are committed to complete that purchase in July. They were speculating that they would get a suitable price for their own home.

I suppose it's not foolish or stupid or unwise to speculate if you look at a market that has gone from this to this, to a higher and higher figure month after month, and almost literally year after year, with very few downturns before another upsurge has occurred. To extrapolate that curve one could say: "Well okay, by July, statistically, my property is going to be worth so much and if I sell it for that price, knock off the agent's commission and the lawyer's fee, I will have X thousand dollars left and that ought to be plenty to enable me to complete the purchase of the new home in July."

The fact is they didn't have a purchaser, and the fact also is that we have taken this step to change the slope of that curve, to hopefully flatten it. It is not my desire to drive it down, because I think that could have very deleterious effects in many quarters, as for example the mortgage market; but to simply flatten that curve can be a really desirable goal, and I think every member in this House recognizes the desirability of that goal.

The net result is that people like the constituents of the member for Yorkview simply didn't find the buyers. If they have to take, to quote his constituent's letter, "a drastically reduced price," it is because either they overpriced their house in the first place, which may well have been the case. There was such a seller's market until April 9 that seemingly you could ask almost anything for a house and get fairly close to it; in fact I heard of cases where people were offering more than was being asked, an incredible kind of situation but I know of one or two instances. They may well have overpriced their property or there may have been a combination of a high price on that property—not necessarily overpricing, but a high price—combined with a reduction in the number of purchasers who were prepared to go through with the deal.

I am told as of today, and I guess you can't get much more current than that, that there seems to be a buyer's market now for houses where there wasn't one before. If that be so, then it may be that they will have to hold onto this house of theirs for a while.

I would think, in the circumstances outlined by the member for Yorkview, that what they might find appropriate would be to refinance—whether long term or short term would be up to them and the wisdom of their advisers—but to refinance to obtain the necessary moneys to complete their purchase. Otherwise they will forfeit their $10,000 which they have put down, which is a very large down payment. I am surprised that it would be that much with a deal that doesn't close until the end of June. But be that as it may, they are committed and they could be sued in specific performance to complete their purchase for the monetary amount required to be advanced on closing. They might well be able to find those further moneys out of a refinancing of their existing home and then hold onto it for some time.

Now in this section we do get into the question of principal residence, and although members have mentioned to me that we don't spell this out, and there has already been the mention made of a transition, say a 10-day lapse between the completion of one purchase and the subsequent occupancy following the sale of an existing home. I would anticipate that under our regulations we can have a period of some months to cover a transition from one principal residence to another, which would take care of the problem raised by, I believe the member for Lakeshore (Mr. Lawlor) when we were on the subject at 6. It would look after that overlap, be it an overlap one way or a potential hiatus in the other direction, and would also look after, at least to a limited degree, the problem raised by the member for Yorkview in the definition of what constitutes principal residence and therefore the amount of moneys that can be recovered, or for that matter the base from which a rental rate might begin if his constituents decided after X number of months had elapsed to, instead of selling, hold on and rent the property for a term of years and recover some money on it and then take advantage of section 20 of the Act with respect to rental accommodation.

So, one way or the other, hopefully they won't have been hurt. But I suppose it is almost inevitable that when one introduces new legislation like this there are going to be some people caught during that transition period with the rules being changed just a little bit, and for that matter with the market reacting and changing substantially too. We had both of those happen, and I think the member for Yorkview has illustrated the potential problems that can come up with some people who have been speculating up to the announcement on April 9.

Mr. Young: Mr. Chairman, certainly I think there is no question that all of us would very much like to see this matter of housing speculation curbed, and not only see the prices flattened out but get back somewhere near what they ought to be. I am a little puzzled at the minister's statement that people like this may be asking too much for their houses and because of this they are speculators. The house these people bought was a certain price and they are committed to that; they are asking, I suppose, a comparable price for the other house which they are hoping to vacate. The relationship, likely, is fairly constant. The unfortunate thing is—

Hon. Mr. Meen: Not necessarily. If I may interject at this moment?

Mr. Young: Yes.

Hon. Mr. Meen: In the one case you have a willing builder and you have a willing purchaser. You have a contract; you have a contract there that demonstrates or illustrates that price. In the other case, all you have is an agent who has convinced them they should ask so much for it. They have not found a willing purchaser so you don't have both sides of the contract at the other end of that scale.

Mr. Young: Except that but for the introduction of this legislation, they would have had that willing purchaser. The people went ahead and bought on the assumption that the willing purchaser would be there but the circumstances changed.

I fail to see that there is very much speculation in this unless the person was thinking in terms of buying a more expensive house and therefore increasing his equity in property. That might well be but in the case of changing houses in this way, it seems to me that, short of the change which took place by the introduction of the legislation, this deal would have gone through. There would have been the willing purchaser and buyer in both cases and the man would have made the transfer in a peaceable and orderly sort of way. But this is the problem.

If, as a matter of fact, the time could be stipulated, a matter of months, in which a transaction like this could take place, I think that problem would be solved. If this can be done, I think that a problem such as is faced by this constituent, and certainly

must be faced by many others as well in this area particularly, does have a solution. We hope that will be worked out.

Mr. Chairman: The member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman, the legislation in question becomes more hilarious by the hour. I would make a note of that particular Hansard and send it to those constituents to inform them of their new high position as designated by the minister, of being speculators in this particular context. Really, Mr. Minister, it's simply not so.

When you are dealing with land and you are going to buy a new house for yourself, either you are going to have to sell your own first and buy the other later or, if the other that you want comes on the market, you have to make that choice. That doesn't involve you necessarily in any speculation—there could be elements, true, but one is switching over. What you haven't provided in your legislation are rollover provisions of this kind.

Maybe, thank heavens, you haven't because I can imagine what the convoluted clause of that particular kind, would look like on the page, can't you, against the simple stuff you have managed to make so intricate already? that particular kind would look like on the Anything that tough would really be beyond the human brain to begin to penetrate.

Can you do this by way of regulation? You have seen a hiatus in your legislation. A great wrong can be committed on people who have bought already and then got hung up because the place they are selling is no longer their principal residence by some abstruse or even by some very determinate construction on the legislation. Therefore they are going to get the 50 per cent tax situation.

You don't want that, I don't want that and nobody wants that. You sit over there saying, "I'll rectify that particular piece of viciousness by regulation." Regulation is not the way in which you do these things. That should be embodied in your statute. Under any normal condition or stretch of the imagination, you would simply insist it would be embodied in the statute. You know that as well as I do in this context.

Why don't you insert it and say that if properties are bought and sold within a six-month, eight-month or one-year period, the property being abandoned being the principal residence, and the property being substituted being the substituted principal residence, no tax will apply in that contingency?

I think you should get it in here. You are going to send the whole legal profession and anybody dealing with land off on a wild goose chase trying to disinter those wretched things. And let's have no games about it. You know how difficult it is to dig out these regulations, to find which one is applicable. The whole mess becomes very sticky, indeed, and with no necessity for it.

If you don't do it today you will be back next fall when this House meets again, I predict, with an amendment to your legislation, holding your hand over your heart and saying, "Well, we told you that multiform and multitudinous new amendments would be and must be necessarily forthcoming. We already proved it to you before we even introduced the bill. And after we introduced the bill, we introduced 26 of them." And by next fall, I suspect you will have 26 more to add to your laurels and to place as a laureate across your chest.

We pointed out the effects. Why don't you amend the legislation before it's finished in this House and get that particular loophole closed because it does and is going to afflict many people? If you and I have to advise clientele on all this—and you are saved from doing that these days, having been lifted by your own petard to the lofty position in which you sit today—

Mr. R. F. Nixon (Leader of the Opposition): Hoisted.

Mr. M. Cassidy (Ottawa Centre): Sort of a sky hook I would have thought.

Mr. Lawlor: But how about the rest of us who do have to advise the people engaged in matters of buying and selling in Ontario? Having extracted yourself from that particular thing, you think you can save yourself the embarrassment by cooping yourself up in here hour after hour? Well, I would have you reconsider your position in this. That's too substantive a matter to be left to mere regulations and you know it and I would ask you to alter your legislation accordingly.

As to the long subclause that you've inserted in here, I suppose we could only argue that, and I propose to do so, Mr. Chairman, in conjunction with the new section 20 of this bill. Like everything else in the Act, it's so interleaved and interrelated that you could either do it here or later. That has to do with the tenants living on the property as their principal

residence. And, really, that section should have been moved forward in the Act, closer to this particular position so they may have been argued in conjunction. But the bill being amended and devised, actually being created, so to speak, as we go along, from moment to moment, the image changes. It's what William Blake in his most demented moments would have called a phantasmagoria. This bill is a marvellous mythological construction. But there it is.

May I have a ruling on that, as to where you want to discuss this business of—

Mr. Chairman: Section 20.

Mr. Lawlor: —principal residences for tenants and investment property because it directly affects that amendment?

Mr. Chairman: It is my understanding it comes under section 20, is it not?

Hon. Mr. Meen: Yes, Mr. Chairman.

Mr. Chairman: So it can wait until then. Shall this motion as proposed by the minister carry?

Mr. J. R. Breithaupt (Kitchener): Mr. Chairman, at this point are you about to deal as well with the amendment put by the member for St. George?

Mr. Chairman: No. I will place it—

Mr. Breithaupt: This is solely with respect to the addition of the words that are underlined in the subsection?

Mr. Chairman: That's right.

Mr. Good: Before this section is voted on, could I ask the minister for a comment? It's been dealt with by the member for Yorkview—about a person owning two homes and only one would be a principal residence.

Could the minister comment on the situation where a person is having a new home built, probably on land which he already has owned? At what point in time would he have to dispose of his present residence before he would be considered to have two principal residences, which he cannot have?

Hon. Mr. Meen: That's correct. Mr. Chairman, a taxpayer can't have two principal places of residence.

Mr. Good: No.

Hon. Mr. Meen: When he literally moves himself, his family and their wares or their chattels from the one home, the existing home, to the new home, that would be the time of the change of his principal residence.

Now, we would then, as I indicated to the hon. member for Waterloo North earlier, have a period of time, which I would anticipate being allowable by regulation, within which to dispose of the previous house to acquire the proceeds without attraction of tax.

However, it's the physical move that in my opinion changes the place of principal residence. And I don't think there should be any difficulty determining that.

What is difficult is determining the period of time within which one should be allowed to hold on to his existing property, sans sale, before he is put in a category of an investor who is keeping it for rental income, or the speculator who is holding on to it hoping to achieve a better price than he can get today. He is hoping that maybe not in May, 1974, but by September, 1974, prices will have recovered and he may want to hold on to it.

Should we countenance that as subject to no tax or should we say to him, "Look, you are speculating and are going to pay a speculation tax on the increment in value, when you achieve it, between today's value, in the figurative sense, and tomorrow's value, when eventually you sell it"? That is the difficulty. We don't want to do hurt to these people who are caught in this transitional period, but we have to recognize that there are some who are genuinely speculating today.

With all respect, I suggest to the member for Yorkview that in the instance he gave, regardless of his view on this, my own may be a little different, and I think it is possible because in that case his constituent had a contract with a fixed price established today for a purchase to be completed on July 1. There is no speculation with respect to an increment from May 21 or whatever, to July 1, because the price is established today, but he has also got his present house listed based on some value not confirmed by anything; that may well reflect in his mind what he thought he could get for it, not today, but some time between now and July 1. So there is an element of speculation, even though based on what had happened in the months and years previously, it wasn't unintelligent speculation.

Speculation doesn't have to be stupid to be speculation; it can be very intelligent and clever speculation, and I think that's what that kind of thing could well be. You know,

should he hold on to it or shouldn't he? I think that is up to him to decide, and it is a period of time we will have to look at to determine whether he should be subject to the tax or not.

Mr. Chairman: The member for Prince Edward-Lennox.

Mr. J. A. Taylor (Prince Edward-Lennox): I would like the minister to clarify the situation where you have two families occupying the one home. We have read over the years, especially in relationship to the enforcing of single family bylaws, of situations where you have more than one family in a home.

I presume, by reading this section, that the house then would have to be divided and you would have to determine a relationship of the area occupied by each member of the family and then presumably the owner or the resident would be deemed to be a speculator insofar as the portion that he was renting?

Hon. Mr. Meen: No, not quite, Mr. Chairman. I agree with the member part way that this section would cover that situation, but he would not be deemed a speculator, he would be deemed an investor and that would be rental income and he would be subject to the other provisions of section 20 of the Act. If you have two families living unto themselves within separately identifiable accommodation within one building, then it would be possible and proper to segregate them for the application of the tax, in the one case as an investment; in the other case, since it is the owner of the property, that's his home, then he would fall under subsection (e) and not be subject to tax.

Mr. Taylor: He pays less in that case then? Being an investor he pays less?

Hon. Mr. Meen: As an investor he is subject to the provisions of section 20. It would depend on when he sold.

Mr. Lawlor: Depending on the amount of time he holds it.

Mr. Taylor: But he is still paying under that though?

Hon. Mr. Meen: That's if he holds it for 10 years.

Mr. Chairman: Shall this motion carry?

Mr. J. E. Bullbrook (Sarnia): I want to make just a few general comments, which are in the nature of hanging on to the comments of the member for Lakeshore.

Before putting my comments on the record I want to, at the first opportunity, as we say, convey my appreciation to the minister in connection with the amendment to section 3 that I believe, and I believe my colleagues believe, suffices to respond to the criticism that I made last week.

The problem, though, that continues in connection with this statute—notwithstanding your integrity of purpose with respect to those people whom you, as Victor Borge would say, constitute speculators—is that this business of regulation and subjectivity of interpretation in connection with the implications of the tax still causes me concern.

I hearken back to section 3 and to the comments made by the member for Lakeshore. You see, the problem we still have with respect to those people who act in a fiduciary capacity and their obligation to transmit the tax is whether they know that the tax is payable or not.

I want to say to you very shortly, succinctly and directly, that to answer criticism by saying that we will pass regulations which will be more specific in their intent, more directed, and that we will be liberal in our interpretation of the obligations of the taxpayer, puts in a very difficult position those people who have an obligation to the treasury to remit the tax.

I also want to say this to you, if I may: I, for one, would feel that the average person who has an obligation to remit the tax under this statute, having regard to the impact of the section, would hasten to look out those sections that would afford an exemption. And I think there are many of them.

I've come into the debate late. I'm not fully aware of what went on this afternoon; for that I apologize, and I'm not going to take time. I'm very interested in the bill, as the hon. members know. I think I have conveyed that to the minister through you, Mr. Chairman.

Before we divide on this — and we will divide, because of the obvious problems resulting from the amendment put forward by my colleague from St. George—I want to say that the answer to the member for Lakeshore, that we will pass regulations and take a very beneficent attitude in connection with the imposition of this tax, doesn't suffice. There are too many obligations.

This tax is a peculiar tax. This is a tax where, for the first time in connection with progressive taxation, we are putting an obli-

gation on secondary people to pay a tax. And when you do that to people you had better be very explicit and precise. The minister should tell them exactly what is their obligation.

Tomorrow—and it is probably more premature than any birth that one can think of—there will be a seminar of the Canadian Bar Association to evaluate the impact of this tax. They are going to find themselves in a very difficult position, because I can assure you that at 20 minutes to 9 they are going to find themselves evaluating four sections of this bill, because we won't be beyond four sections, of which four subsections have been stood down. I think it's an anomalous situation, almost bordering on tomfoolery, for the Canadian Bar Association to presume they are going to evaluate this type of tax.

It is indeed unfortunate, Mr. Chairman, that this whole bill was not resolved into the justice committee or the appropriate standing committee of the Legislature so we could really, in the vernacular, hack it out and see what the lawyers and the accountants felt about it.

I just want to say this, if I may: I came in again today from my riding, and I came in with this message for the minister, that again, we say to you and your colleague, the Treasurer (Mr. White) that we—

Mr. Cassidy: He has been working on it all the way up on the train.

Mr. Bullbrook: I am sorry. What was that?

Mr. Cassidy: The hon. member for Sarnia worked on it all the way up, this message to the minister.

Mr. Lawlor: Sounds like a message for Garcia.

Mr. Bullbrook: I don't follow what the member for Ottawa Centre is saying.

An hon. member: He flew.

Mr. Bullbrook: Normally I don't pay any attention to him—very few of us do here—because he is so laden with partisan choler that it really makes a mockery of what goes on in the Legislature. It is an unfortunate circumstance that every time he gets up on this bill he has to refer to the Liberals' flip-flop. Really, there is no flip-flop.

Mr. Lawlor: You heard about that?

Mr. Cassidy: You heard about that? I thought you said you didn't listen.

Mr. Bullbrook: As you know there is no flip-flop.

Mr. Cassidy: There certainly is.

Mr. Bullbrook: I act as no apologist, but let me say for a moment that we voted as a matter of principle that this bill was good legislation.

Mr. Cassidy: That isn't the truth.

Mr. Bullbrook: Isn't it a sad commentary, having regard to what we have attempted to do? The minister recognizes this. We've attempted to evaluate each section, each subsection, to recognize the principles concurrent with them and the practical applications of them. We've attempted to assist the minister. Not only have we attempted to assist the minister, he has been good enough to recognize that we have assisted him.

I for one have gone on at length about the plight of the farmers under this legislation. I would hope we are going to have some amendments very shortly in connection with that. We have talked about the implications of the obligations of the fiduciary capacity in connection with this, and you have made an amendment with respect to that. I don't think there is any partisan equation with a bill like this. I think it has such general impact that we should all get together and really, without regard to whether we are Conservatives or NDP or Liberals, say we have got to do our best for what is in the best interests of the people of Ontario. It is indeed unfortunate that the member for Ottawa Centre—I think it is; I am not sure I will ever be acquainted with his riding—always must intrude that partisan bite which does nobody any good.

Mr. Cassidy: That's so broadminded. You are flip-flopping; you are backing and filling all the way.

Mr. Bullbrook: I close by saying this to you. What causes great concern, Mr. Minister, through the Chairman, is—

Interjections by hon. members.

Mr. Chairman: Order please.

Mr. Bullbrook: —is the fact that we worry about the obligation on the tax collector. If, as normally is the situation with progressive taxation of this nature where it is not obviously defined—such as the Income Tax Act of Canada and such as your Corporations Tax Act—you were the taxation collector totally I wouldn't worry about this. I really worry

continuously and continually about the obligation on the individual to collect this tax for you.

I say to you, notwithstanding your purposeful amendment this afternoon which really attempted to come to grips with it and has done so to a great extent, you render still an obligation on the individual who must collect this tax to make an evaluation that is unduly subjective, having regard to your own admission to the member for Lakeshore that your interpretation will be a very subjective one.

Mr. Chairman: May I point out to the member for Sarnia, who has just arrived that the amendment which is proposed by the member for St. George is not before the House? I haven't placed it yet.

Mr. Bullbrook: I am sorry. I apologize for that. I think, though all members recognize that it is the intention that such an amendment will be placed.

Mr. Chairman: Yes; I will do that as soon as we dispose of this.

Hon. Mr. Meen: Actually, Mr. Chairman, I was treating the member's comments in that context because we heard the gist of it before 6 o'clock. We will get to the gist of that one in detail in a moment, I suppose.

Perhaps I can observe that it would be nice if we could roll everything out with precise definitions based on years of experience and the like but, as the member for Sarnia himself has conceded, this is new legislation and we are going to have to go, as we work our way through this, on the experience we gain.

It doesn't come instantly. We cannot be instant experts. I am the first to concede that none of us over here is an expert on a tax on land speculation gains and I do welcome the assistance, particularly from the Liberal benches, and their constructive comments. I have had some constructive assistance also from the NDP.

Mr. Cassidy: Don't you wonder at their backing and filling, though?

Mr. Lawlor: We find it particularly difficult to do that.

Hon. Mr. Meen: I think people have to realize that there comes a point when having reduced this Act to writing and into a form with which I am confident and a form which we know will work, we simply should try to make it work at this stage and gain some experience. It might be, to say nothing of next fall, that if I saw some clearly and patently obvious deficiencies—

Mr. Lawlor: Not next week.

Hon. Mr. Meen: —we would have some kind of change. I would not be above introducing something by way of an amending bill as promptly as that if I saw fit—

Mr. Lawlor: You will.

Hon. Mr. Meen: —and if it were so clearly prejudicial to the people of this province.

Mr. Lawlor: It's a mess.

Hon. Mr. Meen: For the present time, I do not feel that such is necessary. I also feel bound to point out to the members that the Income Tax Act of Canada has no regulations and the federal government has been going for 10 years now under that current Act. It has been in existence for about 10 years with no regulations at all and the federal people have done everything by interpretation. They have one statement, I'm advised, dealing with principal residence, that itself is some 10 pages long. Now, if that be the case I'm sure the hon. members—and I'm grateful to the member for Sarnia for indicating his agreement with us—it is patent to me and I'm sure to others who would reflect on this, that one just can't crib from that set of interpretations or from their Act or, indeed, from any of our own, and come up with something that is going to be bang-on and exactly what we want in the form of legislation. I'd love to do that if we could, but we can't.

Now the feds have found that they don't even do it by regulation; they do it by notices of interpretation, which don't hold any kind of status in the courts, but they are there for the guidance of the taxpayers. At least they have an idea of what the tax rulings may be before they get to court; to say nothing, of course, of what would be the case by way of interpretation.

I think the members have to recognize that we are in essentially the same position here, where we will in the near future be issuing some regulations that will touch on these. On reflection, I should add that in my reference to regulations, I was talking only of course about the specific regulation, of what constitutes a principal residence. In the federal Act there are lots of those—lots of regulations generally—but none touching on principal residence. They have only used their interpretation for some 10 pages of

interpretation as to what constitutes a principal residence.

But we will be, I presume—and it would be my intention—acting more along the lines of regulation than by way of interpretation. But I can imagine that I will also be issuing statements of interpretation as to the way in which my ministry would treat certain of these sections, for the guidance of taxpayers and tax counsellors, lawyers, accountants and so on. And for the next while we will have to do it this way and see how the Act pans out.

To repeat—and to come back to my opener, Mr. Chairman, I don't want to repeat—but I would simply say that if it becomes apparent to me and my colleagues that some change in the statute has to be made then I will be the first to say let's do it, if such is necessary. I'm not hidebound to the Act as it will pass on the order paper into law, if it should turn out that an actual amendment to the Act is required.

Mr. Chairman: Shall this motion carry?

Mr. Bullbrook: No, I want to say something—not to drag on the debate, but I want to say this: I feel an obligation to put on the record my thoughts, because I think this will go down as probably the most inoperable, the most inefficacious piece of taxation legislation that we have considered in this House. I don't think there is any doubt that the government will rue the day that they permitted, because of their majority, this type of legislation to pass. So I want to record this.

I agree with what the minister has said, except that he doesn't seem to want to talk about the essential responsibilities of this statute. Everything that he says with respect to the question of the quality of interpretation of the Income Tax Act of Canada is quite correct. But no one has an obligation to pay that tax except the taxpayer. No one has an obligation to collect that tax except the Minister of Revenue of Her Majesty the Queen in right of Canada. And that's the essential distinction in this statute that we seem to close our eyes to.

You collaterally put an obligation on a third person to collect your tax for you, and this is a completely new concept with respect to this type of taxation—a completely new concept. If it isn't, then I want somebody to tell me. I don't mind the vendor at a gasoline station collecting the percentage of retail sales or gasoline tax that is his responsibility. There is nothing of a subjective evaluation; there is a completely objective set of standards to which he is put in connection with the collection of that tax.

But here you have—notwithstanding your liberality this afternoon with respect to the amendment to section 3—you've got an obligation on another person to collect the tax for you.

Hon. Mr. Meen: Who?

Mr. Bullbrook: Pardon me?

Hon. Mr. Meen: Who would that be?

Mr. Bullbrook: The person in the fiduciary capacity. Your amendment in effect, as I understood it as a result of our conversation, was—and correct me if I'm wrong—he only has that obligation where he knowingly recognizes an obligation to pay the tax. Now that really does, to a great extent, subvert my objection.

Hon. Mr. Meen: No.

Mr. Bullbrook: I am sorry. I would like you to explain that to me.

Hon. Mr. Meen: Well, with all respect, I think the member for Sarnia would agree that a trustee, an executor, an administrator or a solicitor acting for any of those, is really acting in the shoes of the transferor. You can't say he is a different person in that sense. He acquires that obligation to pay because of that particular status which he occupies vis-à-vis the estate of the vendor, be it an estate or be it the vendor himself having a solicitor act for him. One way or the other, he is acting for him. He is still standing in the shoes of the vendor, and I think the hon. member for Sarnia would agree that that's not exactly the same as imposing a burden on a third party. He is really acting on behalf of the person primarily responsible for the payment of the tax.

Mr. Bullbrook: Well, I'll tell you, I mustn't prolong this; it would be untoward of me to do so. May I say this to you? I analogize the capital gains tax. There is no obligation on a person other than the taxpayer to pay that tax, none whatever; he has the right to adjudicate the question of interpretation of the statute with the taxing authority. This is a different ball game.

This statute is a completely different ball game, because you do put an obligation on those people, and you use the word knowingly, albeit that's well done. A very, very significant amendment, I think. But you still

have the obligation on that person acting in that fiduciary capacity, and let's forget about executors or administrators. They are in a much less tenuous position than solicitors are. But they are going to have to make that evaluation as to whether the tax should be paid. I want to record again my objection to the principle of putting a third person under the obligation of collecting the tax for you. And I say that in the context of the amendment that is going to be put forward.

Mr. Chairman: Shall this motion carry?

Mr. Lawlor: What's the amendment again?

Hon. Mr. Meen: The underlined section.

Mr. Lawlor: Oh, that! I thought we were getting the—

Mr. Chairman: This is the minister's amendment. Does this carry?

Mr. Lawlor: This is the minister's amendment, right?

Mr. Chairman: The minister's amendment only.

Motion agreed to.

Mr. Chairman: Right. Now, I'll place the motion as proposed by the member for St. George this afternoon.

Mrs. Campbell moves that subsection (e) of section be amended by adding after the word "dependents" in the fourth line thereof, the following: "or by a person resident in a hospital, a nursing home, a senior citizens' residence, or any other institution under the Charitable Institutions Act."

The member for Waterloo North.

Mr. Good: Mr. Chairman, thank you. One of the purposes of this section, of course, is to exempt the principal residence of a transferor, so that when a property is sold which is the principal residence, it is not subject to the tax and is not designated land.

Now, in our opinion and in the opinion of the member for St. George, there are certain persons who, through no fault of their own but because of circumstances, can no longer retain their principal residence. They are forced from their principal residence by sickness, by old age, or by some other means, and must take occupancy in a hospital or a nursing home or an institution of one sort or another.

To many of these people, their last hope of independence is that they might return to what was formerly their principal residence. But, because of the definitions usually associated with principal residence, persons who have spent a considerable length of time in a nursing home or an institution, must then regard that as their principal residence, and are so designated. Old age pensions will come to that place and all dealings with government are associated with them at that particular institution or nursing home.

Now, many people in their later years want to retain their principal residence for two purposes. First, the thought in their mind that some day they will be well enough to return to that principal residence, and they don't want to sell it right away. Secondly, they need it to produce a little bit of income to pay their way while they are in an institution. These arguments were put forth very effectively this afternoon by all those who spoke on it, and I think the minister must surely agree that a person who cannot, because of sickness or old age, live in his or her principal residence, should not be subject to a tax which is designed for speculators. In no way should the former principal residence of a patient in a nursing home or senior citizens' home be associated with a person who is buying and selling property for speculation.

Now whether the wording of the amendment is clear to the minister or not I do not know, but the intent is simply this—that the last principal residence of a person who is now a resident of a senior citizens' home or nursing home, or any institution under the Charitable Institutions Act, from which they moved, probably should be exempt from taxation under this statute. I think the principle of the amendment is very simple. It is understood by all, and I am sure has the sympathy of all persons within this Legislature, and I hope that the minister will accept it either in its present form or in a wording more suitable to him if necessary.

Mr. Chairman: The member for Kitchener.

Mr. Breithaupt: Mr. Chairman, this amendment was initially put in the previous subsection. The minister found it was not acceptable at that point when we had chosen to amend the matter of principal residence in the circumstance where that was an exemption to what otherwise might have been designated property under subsection (d) of section 2.

The member for St. George, in placing that amendment, had spoken to it, as had various others of us, on that particular subject. Now, as we are dealing with subsection

(e) of section 2, the member for Waterloo North has placed the points which we believe are worthy of consideration of the minister at this time.

I don't think there is any particular point in reviewing the debate which we had this afternoon on the earlier matter. It was reviewed by the minister at that point and we came, I think, to the conclusion that the minister felt this kind of an amendment, at least under subsection (d) of section 2, was inappropriate.

Now, however, as we look at the positioning of this item in subsection (e) with respect to principal residence, I think the amendmet is perhaps better placed. We thought this afternoon that there might have been a better purpose in withdrawing the amendment from subsection (d) and placing it when subsection (e) was before the House. However, we persevered at that point and the minister chose not to accept that amendment. Now the amendment has been placed at, I think, perhaps a happier position within the statute.

It is clear, as the member for Waterloo North has said, that the particular reason behind this amendment is to ensure that someone who has left what would otherwise be a principal residence for reasons of health or age and might indeed hope to return, should not be penalized by the accretion of this tax to a situation wherein that residence would have to be sold or otherwise disposed of. Certainly under this subsection, the matter of principal residence and the ordinary habitation by the owner or family is the time when this amendment could be perhaps more happily placed than heretofore.

The amendment which we have chosen to place deals solely with those persons who, for reason of age or illness, have had to absent themselves from a principal residence for a period of time. We went through the matter this afternoon in which we discussed the situation whereby a person might be placed in hospital briefly or might then go into a home for extended care, or possibly even go and live, as the result of a trip or because of necessity, with relatives for a period of time because of the need to have certain special things done for that person. But surely in the background of that person's mind is the hope of returning to one's home, and the hope of at least having that as a base for future living and for future operations.

I am sure that all of us, as we approach the situation wherein we might some day have to leave our home for reasons of health or reasons of choice, perhaps, I would want to be sure that we at least had this alternative to which we could return. In this circumstance, the amendment which we propose has given additional exemption to a person who, by reason of age or illness, has to leave what would otherwise be a principal residence.

We do not think that this exemption is a difficult administrative problem. Surely it is within the competence of the ministry by regulation and by definition to accept this kind of amendment with the goodwill that we all hope it would receive.

Now when we referred in the earlier clause (d) to the matter of a tourist resort, the minister was of the opinion that while present definitions were, perhaps, somewhat incomplete, he would be able by reguation and by the powers given unto him under the regulations which appear on the next to last page of the bill—that is in clause (a) or subsection (2) of section 22—to come up with the kind of definitions and balance that would be valid and acceptable within this bill.

We put it to the minister at this point that he should make the same consideration here. The amendment which has been proposed by the member for St. George is, I think, acceptable because it attempts to relieve older persons who may not be entirely well but still hope to return to their home, of the additional psychological burden that there may be some concern that they would have about dealing with their home.

The member for Downsview (Mr. Singer) raised this afternoon the matter as to how this would come up in a situation wherein the Public Trustee may be concerned if a person is not able, because of health, to deal with his or her own estate or make plans for his or her own future—and of course the Public Trustee could well be involved.

If there is the matter of a commital to a charitable institution, or indeed to an Ontario home or hospital, then of course the Public Trustee has to be in a position to deal with certain properties. It could be that because of the lack of income to maintain a property that the Public Trustee may have to deal with this property himself. It would certainly be a sad thing if the sale of that property, which may be the only major asset of an estate, was subject to this kind of a tax.

Surely, it is not the intention of the minister, of the officials of his ministry or, indeed, of any member of this House to think that

we would attempt, on the basis of a speculation tax, to deal with a major asset of a person who by reason of age or illness or infirmity had this as the only major asset of his or her estate. I am certain that the minister would not want this to be the case and I suggest the placing of this amendment in the statute now would relieve persons of that obligation. It also would relieve their family members or, indeed, the Public Trustee, himself, of the concern and burden of having to deal with this kind of a tax burden on what would be an asset of a person who could not deal with his or her own affairs as they may wish to do.

I hope that the minister will find that this amendment placed here will be acceptable because we think that it would strengthen the bill and that it would bring a great measure of relief to those persons who would otherwise be concerned that this kind of a situation could arise.

We all know that there could be a matter of question as to what would be a person's principal residence when the matters of health raise themselves or when the matters of illness raise themselves so that a person might spend some time in hospital or a year or so in a home for the aged or under some programme for extended care.

We think that this kind of an amendment would be a great relief, and really remove a burden of concern, from a goodly number of our senior citizens. I think that it would be worthwhile, on the minister's part, to accept this amendment, if we are to accept the view that we are not after a taxation burden on what would otherwise be a principal residence. Of course it's a matter of definition, and of course there may be some persons, who are temporarily or otherwise resident in the hospitals or nursing homes, to which this amendment refers.

I hope the minister will consider this amendment, and we would most sincerely ask him to accept it on the terms that it is offered. Throughout this bill, and we've now debated it for some 20 hours, we in the Liberal Party have attempted, by the amendments we have made, to make it a better bill. And I am firmly convinced that this kind of an amendment that we place here would be in the best interests of many of our citizens. I think that we have a responsibility in this kind of a taxation statute to attempt to improve upon it. The bill, as it has been written, has received substantial amendments, and I think the minister is to be congratulated on accepting the amendments that we and the members of the New Democratic Party have offered in good faith, because we want the statute to work if the principle of the statute is one that should be worthy of support.

I would accept the views of the minister if he cannot fit this amendment into the section now, but I hope that he could see his way clear to deal with it at this point, rather than refer us, once again, to the matter of regulations.

We feel, on this side of the House, that the bill must be as all-inclusive as possible, and that there must be as little left to the dealing of regulations as can be done. We think that taxation statutes must be clear, and that they must have all of their attributes clearly spelled out in legislation, so that the matter of regulation is as little imposed upon the average citizen as we can possibly hope for.

The amendment has been placed and I hope that the minister will refer to it and consider it, and that it will find acceptance within the chamber. Because we think that this kind of an amendment, in this particular circumstance, will be one which will be of benefit to many of our citizens.

Hon. Mr. Meen: Mr. Chairman, I think this is one of these instances where I would dearly love to say yes, because I think we all feel that this is an area in which one could improve the whole picture. Certainly, our senior citizens are not those who speculate. I think we all recognize that people speculate in their younger years, but in their older years they hold on to their securities for their retirement years.

And yet my advisers tell me that the amendment, in the form in which it's been submitted— and the hon. member for St. George didn't give me a copy of it—they tell me that it does not fit into this section as it stands. And the hon. member for Sarnia is nodding his head in agreement on that. Now, the difficulty is—

Mr. Bullbrook: I'm sorry. You said does not fit into the section?

Hon. Mr. Meen: Does not fit into the section.

Mr. Bullbrook: I think it could. Maybe the wording could be improved. I'm sorry.

Hon. Mr. Meen: That's possible, but the fact remains that as it stands—and I have to go on the amendment as submitted — it does not suit. I guess one of our major problems in this section is the definition of

what constitutes "principal residence." And the member for Kitchener himself indicated that this was, and I quote him: "It is, of course, a matter of definition." Definition of what constitutes "principal residence."

Mr. Bullbrook: Right.

Hon. Mr. Meen: And in the course of working this through, I can tell the hon. members I will have this matter at the foremost of my mind when considering the definition for "principal residence." I think there should be, as the members have indicated, some provision for a carry-through, a feed-through or whatever one would term circumstances like this. I would not want to think that there an elderly person vacates his home to enter a nursing home or a home of a relative or a hospital or whatever, perhaps—and I recognize that my own parents, if they went into a nursing home, would look forward to the day when they might get back out again; or if they went into the hospital, when they would be back again. One would not want to have them faced with the—and I don't suppose it's completely imaginary—but certainly with the apparition that somehow or other they were going to be mistreated from a tax standpoint.

Now, the tax—remember, I emphasize this—only is attracted on a sale, so that this kind of tax does not fall in and become payable simply because the owner of the property vacates the premises and goes to live somewhere else. He isn't going to have to sell the property—

Mr. Bullbrook: We understood that.

Mr. Good: We understand that.

Mr. Bullbrook: You don't have to comment on that, really.

Hon. Mr. Meen: The hon. members opposite indicated in some of their earlier discussions, I observed to the member for Sarnia—in fact, it was the member for Kitchener, I think, who suggested that you might have to sell the property to pay the tax. Well, that's not the case. You don't have to sell the property; you could hold it as an investment.

But the point is, I think, at what stage does a property that is not being occupied by the owner cease to become the owner's principal place of residence and become investment property? At what stage do you cut off one and start the next? And I think my ministry and I have to address ourselves to this question in the course of our defining principal residence to determine when one begins and ends and, therefore, at what stage or other should this sort of provision take effect?

Now to wrap it up, what I am saying is that the amendment as proposed I can't accept; though certainly I am in sympathy with its principle and I think that, as the member for Kitchener himself said, that this is within my competence as minister to define by regulation. I will. I will be looking at this. And I think that it can be taken care of adequately by a suitable definition in the regulations.

Mr. Breithaupt: As I said at one point, in finishing through the review that the minister has made about my remarks, the situation with respect to having to deal with this property for taxation purposes was not meant to relate to this tax bill. I was rather suggesting that the Public Trustee or some executor or guardian might have to deal with the property simply for the ordinary payment of municipal taxation, or because there were simply not moneys available to do necessary repairs. This was the point that I had made. I realize that the minister has certainly the power within the making of regulations to deal with this continuous problem that we all acknowledge is something that we don't want to accept; that is, the situation whereby persons who because of their age or who because of illness can no longer deal with their property.

I'm wondering though why the minister feels he cannot accept this particular amendment when, in fact, he seems amenable and his staff persons seem amenable to dealing with the kind of problem we raised. In other words, Mr. Minister, if you can't accept this amendment, what kind of an amendment could you accept in this circumstance to resolve this problem? And what will you do about it?

Mr. R. F. Nixon: It is open and shut. You agree with the principle, why don't you accept it?

Hon. Mr. Meen: I simply said I'm warm to the idea. But the point is we need a very comprehensive definition of what constitutes a principal residence. Short of having that—and as I pointed out, and the member for Sarnia agrees, the feds have tried it and they've got 10 pages worth of interpretation of what constitutes a principal residence.

When you get into that—and I might say that particular set of interpretations includes periods of time when you are not in occu-

pation and when you are out of the country and so on—

Mr. V. M. Singer (Downsview): Yes.

Hon. Mr. Meen: —if you recognize that these are the kinds of problems we must also address ourselves to here, you can see that it is not a very simple matter to simply roll into the statute for all time a definition that principal residence of a present occupant of a nursing home, or whatever, shall be the principal residence until the date of his or her death, or something of the sort. It just doesn't work out that simply.

We will have to resolve it by—I hope not 10 pages worth of interpretation, but certainly a more comprehensive definition of the kind of home in which the person would be located; the period of time, perhaps with a hiatus between one kind of residency and another, and perhaps eventual return. This business of assessing subjective intent is extremely difficult, and I don't think we would be wise to enshrine it in the statute. I think it is better to be left for interpretation at a later time.

Mr. Chairman: The member for Sarnia.

Mr. Bullbrook: Mr. Chairman, when the minister talks about warming to a statute, the type of response that he gives to my colleague from Kitchener invites a great deal of heat. I want to say that to you because, you see, the amendment is eminently sound in principle. I record by a nod my agreement in principle with the fact that the amendment itself could probably be redrafted to the benefit of all of us.

The thing that bothers me more about this statute than anything else is the words that the minister throws out in complete abandon at times. Just hearken back and Hansard will show what you said. You said, "How does one evaluate when it changes from a principal resident to an investment?" Now those are the things that really cause us to warm up in the opposition.

As you say, this isn't a statute that is directed against investment in the Province of Ontario; investment is the lifeblood of the real estate business in the Province of Ontario. Investment is the lifeblood of free enterprise in the Province of Ontario. And those are your words. Do you remember your words, "When is one able to distinguish between a principal residence and an investment"? Now there's nothing wrong with investment. You know we really—

Hon. Mr. Meen: The allowances are different.

Mr. Bullbrook: I want to tell you, we really hit the nub of this whole bill, and I hope somebody will start to understand in the Province of Ontario — I hope the editorial writers will start to understand what we are doing with this bill. Speculators per se, as we generally understand them, should be taxed at this type of rate. But what you are doing with comments such as tonight and comments that you have made in the past—the minister asks his own colleagues on the government benches, "When do you distinguish between a principal residence and an investment?" True investment is not something to be attacked at 50 per cent. This is what we have been trying to convey, sanctimonious or otherwise. If it is sanctimonious, it is not pseudo-sanctimony, I will tell you that. It's not.

Mr. Cassidy: Sounds like it.

Mr. Bullbrook: Well, it might sound that way. I can't help my style. I am just telling you that I am very, very concerned about this bill—very concerned about it.

Mr. Lawlor: We are going to vote with you.

Mr. Bullbrook: I am concerned about the fact of what we are attempting to do, and I want to talk right on this amendment. This amendment is not only efficacious, it is not only equitable, it is just, completely just. You know it, the chairman knows it, the advisers under the gallery know it, and every member of the House recognizes that we should not, in any context, employ a tax on people who have lived in a house for 40 years and because of circumstances directed upon them, not by their own volition, are removed from that principal residence. And unless we have an amendment along the lines put forward by my colleague from St. George—change it if you wish, just give us the intent.

Stand the section down. That's all that needs to be done. It is no loss of face at all; that's no loss of face in standing the section down. Just say, "We agree." But to have us vote on this and divide on this at this time is really an undue burden upon us. We want to help in connection with this statute, but I want to close in saying this. I say again, and I say it for all members of the House, that the government is to be applauded in connection with their general

intention with respect to speculators. I want to tell you this again—

Mr. Cassidy: Yon Cassius was an honourable man, remember? Just like that speech. Really, if you oppose the legislation, then oppose it.

Mr. Bullbrook: This is without doubt probably one of the most staggering pieces of legislation that we have conceived in its input. I tell you—I apologize for this—I have not spoken in two years as much in this Legislature as I have in the last two weeks, and that's a fact. I apologize for this. I have been on my feet because I believe this to be a nefarious Act. We are not doing what we intend to do.

Mr. Cassidy: You supported it.

Mr. Bullbrook: What we intend to do is appropriate and we should be prideful of it, but we are not doing that.

Mr. Cassidy: How could you support it if it was a nefarious Act? Answer that!

Mr. Chairman: Order, please.

Mr. Bullbrook: I want to say to you, as a matter of principle, if I can convey it, and I do convey it to you with great sincerity, the intention is great, but we can't have sections like this going through. We can't tolerate it and we can't for a moment give up our legislative responsibility.

This is the thing that curdles me more than anything else. The minister stands in his place and with great, great sincerity says, "We will pass regulations that give full effect to your intent." That's not good enough. We have an obligation to do that. We are legislators; it's not for the bureaucrats. As much as they themselves are conscientious with respect to our intention, it's our job to put this into the statutes and not permit them to interpret what we mean. We have got to put it in the statute, as the member for St. George said.

You talk about principal residence. I invite you, my colleagues, to look at the fact that there isn't a definition of principal residence. There are 10 pages of definition in the Income Tax Act with respect to certain criteria of taxation. I ask you to recognize that they spent three years on that bill. They put before the House of Commons a white paper on the bill and then they attempted a draft statute which they circulated to the professions and the public of Canada and secured their response to those sections. They then tabled and gave first reading to the amendments to the new Income Tax Act. They then took that before a standing committee and it stood there for over six months while there was a response to those sections; and hundreds of amendments were put before the House.

The point I make here is that if we are going to pass statutes that have this import, goodness gracious let's understand the impact upon the people whom we represent. We can't accept that type of response where the minister says we recognize what you as members want to do and we are going to pass regulations to give intent to that.

I want to say to you that I give you full credit. I do, Mr. Chairman, I give the minister full credit for attempting. I trust, as he has on section 3, that he will attempt to ameliorate our objection. I want to say to you now: Stand this down. Let's make sure that those people who are going to be possibly burdened with this tax if we don't act upon it, are assured they won't be burdened with the tax. I don't mean to warm up the debate, as you say, but gosh we have to be warmed up if we are not going to do our job with respect to the impact of the tax.

Mr. W. Hodgson (York North): You have made your point.

Mr. Bullbrook: I have, yes; and I am going to sit down. I hope I have made my point with the member for York North.

Mr. W. Hodgson: You surely have.

Mr. Bullbrook: I am glad that I have, because I want to say, as I've said before, he's at least one member of the government benches who recognizes the insidious results that might come from a tax like this.

Mr. Taylor: Mr. Chairman, may I just have this point clarified? There seems to be developing, certainly in my mind, confusion as to the intention of the statute, and in particular where we are dealing with clause (e). As I understand it, the Act is not designed merely to tax the speculator but also to tax the homeowner who may decide at any point in time to rent all or part of his home. Is that not correct?

Mr. Cassidy: That's right.

Mr. Lawlor: And he is a speculator.

Mr. Taylor: You know, that's—

Hon. Mr. Meen: I think it is fair to say that we have recognized there is an element in investment that should be protected in some fashion, Mr. Chairman. In that sense, we have the provisions for rental accommodation and a reduction of the tax as set out in section 20. If you move from being a homeowner and resident to being a homeowner and investor by way of keeping your hand on the title but giving possession to someone else by way of a lease for a term of years or whatever, then you have the other provisions of the Act that are available to you.

Mr. Taylor: Mr. Chairman, again my memory goes back to the days following the war when there was indeed a housing shortage, and some of you may be very mindful of that. Many of us were trying to get whatever accommodation we could, whether it be in an attic, or in a basement, or other part of a home, or whatever it was.

Mr. R. F. Nixon: Anybody we know?

Mr. Taylor: Those premises came on the market, and of course income is taxed from the homeowner's point of view so that revenue would be taxable as income. But in the case of this statute I'm concerned that it may be that we will be discouraging this type of accommodation coming on the market, and we know that in the metropolitan area there are a good many homes that are being rented to persons for accommodation even though those homes may be zoned for single-family purposes. When you assess the impact of this taxing statute on those homeowners as well as the impact of the Income Tax Act on the revenue produced through rental, we may be feeling a further housing shortage instead of alleviating that problem.

Mr. Lawlor: The tax would be more than the rent.

Mr. Chairman: The member for Ottawa Centre.

Mr. Cassidy: I have several questions, Mr. Chairman. The member for Lakeshore and I have been devising various things here that might apply under this particular section. I must say that the longer they go on, the more zany are some of the results of the section as it stands right now.

May I say to the member for Sarnia in the first place that we will probably support the amendment which has been proposed. We agree with the idea that is expressed therein. I think the minister has expressed that too, that in the regulations or in some other way he will eventually find means of exempting from the tax the disposition of property when it is held by somebody who is in a nursing home, or is aged, or whatever the other cases that were outlined may be.

Mr. Lawlor: Didn't you want to make a nursing home for speculators?

Mr. Cassidy: That's right. I was suggesting that if I ever leave this place I would immediately set up a nursing home, which would be a private enterprise, for the care and treatment of speculators during those temporary periods of time when they wished to be absent in order that they could take their profits—

Hon. J. R. Rhodes (Minister of Transportation and Communications): On Toronto Islands?

Mr. Cassidy: That's right, on Toronto Islands. No, not there as a matter of fact. No, we'll open it somewhere else.

Hon. Mr. Rhodes: No? Why not? The hon. member has broken every other law over there.

Mr. Cassidy: Sault Ste. Marie is possibly a bit too cold.

Hon. Mr. Meen: It is a lovely spot.

Hon. Mr. Rhodes: The hon. member would fit in well up there. Come up.

Mr. Cassidy: I thought some of the wealthier spots, York Mills, or Don Mills, or that area where the minister comes from, would be a very pleasant kind of environment for that kind of care and solace that would be needed.

However, the amendment proposed by the member for St. George does not cover dispositions of property where, for example, the owner has had to go to a mental hospital or psychiatric hospital—

Mr. R. F. Ruston (Essex-Kent): It covers all hospitals.

Mr. Cassidy: All hospitals? It does?

Mr. Taylor: Certainly.

Mr. Good: Old people's homes too.

Mr. Cassidy: Old people's homes? You name it, you've got it, is that right?

Interjection by an hon. member.

Mr. Cassidy: I see. Okay. Well, in that case it is a fairly broad bunch, but that can be done by regulations as well.

I would like to point out a number of other things, though, which will create problems on either side—in some cases hardships, in other cases loss of revenue that ought to be coming into the ministry, and lack of restraint or speculation.

First, what happens in the case where there is a separation between two partners in marriage and they happen to have a couple of properties? If one partner moves into the one house and the other partner into the other house, do the two properties then become exempt from the tax? What happens if, subsequently, they reconcile and come back together again? Is that conceivable or, as the member for Lakeshore says—

Mr. Taylor: Break up the marriage again.

Mr. Cassidy: —are they allowed to meet on Saturday afternoon? And if so, can they meet at one house or at the other house, or must they go to the principal recreational property?

Hon. Mr. Rhodes: Only if it is conceivable.

Mr. Cassidy: Only if it is conceivable? Well, don't bring religion into this. What if they go to a motel or hotel? Is that okay? Or is it not okay if they go to a campsite where there are not buildings worth 40 per cent of the total site? And so it goes.

Hon. Mr. Meen: Zany is right.

Mr. Cassidy: What happens to the children in this particular partnership who are over the age of 18, and there are four properties and the husband and wife decide to separate and the children each go off to one of these houses as well? Do they then acquire four principal residences among the four adult members of the family, and if that is the case, are they all exempt from tax?

What about the case where the family ordinarily, for a period of some time, lives on the ground floor of a fourplex, for the sake of argument, but then, come the time when they feel inclined to sell, they find that he needs a studio and she needs a place to carry on with her painting and the brat-faced girl needs a place for her cello lessons and so on, and they fill up the whole place for a period of six months prior to disposing of the property?

Who is to say what is ordinary, and how does the sale of the property, for example, relate to the fact that they may or may not have won some money on the Olympic lottery and therefore have been unable to use more space than before?

It seems to me, Mr. Chairman, that the minister and his people are creating some enormous difficulties, particularly on dispositions that take place in the next few months until the regulations are formulated. We don't know, I gather from what the minister says, what on earth is a principal residence. There may be some commonsensical kinds of rules there, but, as the minister knows, these things must be tested in the courts, and what the courts come up with may appear perverse as far as common sense is concerned.

Mr. W. J. Nuttall (Frontenac-Addington): Never.

Mr. Cassidy: Perhaps the minister could spell out how he is going to handle some of these particular factual situations. And I could give one more as well.

Let's suppose, shall we say, that an employee of the Province of Ontario takes a job with the federal government and, for the sake of argument, goes to Ottawa, buys a house, makes plans to bring his family into it in September, but in the meantime it takes several months to sell his property down here.

At what point is he entitled to continue the exemption on the sale of his principal residence in Toronto when he also has a residence in Ottawa, because that is where he is living and where his wife and the kids are spending much of their time, as well as waiting until they can find a place to put their aged mother who has been living with them in part of the house for some period of time? At what point in time does that exemption carry through, according to the regulations that the minister intends?

Suppose they acquire the property up in Ottawa and find out they have made a mistake, the job in Ottawa falls through, and they rent the place in Ottawa for a year while they think about what they are going to do; and then they decide they are going to come back here? Is there any allowance for mistakes?

Then if you read the sections on the exemptions for investment property there, let's suppose that it is a job which requires the person living in Toronto to spend two years out of every four working abroad, shall we say, with a multinational labour organization. During that period of two years the property in Toronto presumably would be rented out. Now, suppose there is

a disposition for various reasons which takes place at a point in time when the property happens to be in the hands of tenants. Is there any exemption under section 20 or section 21? Or is there any exemption under the principal residence? Is there any notch provision? Is there any provision under which a property that has been used over a period of time as a principal residence, then becomes an investment property, then becomes a principal residence and then an investment property—in which the changing circumstances can be taken into account? Or is it an all-or-nothing kind of thing?

The minister knows, because I've argued for it, that all-or-nothing legislation may not be had, but it's got to be considered in context. And the context here is of a bill that is riddled with all sorts of loopholes or which in certain cases, particularly the small individual who lacks the tax advice and the financial resources to so order his affairs to avoid the tax, may result in hardship situations. In those situations it's an all-or-nothing bill. And it's wrong to be particular tough in those situations when you are so lenient in so many other cases.

Mr. Chairman: The member for Sandwich-Riverside.

Mr. F. A. Burr (Sandwich-Riverside): Mr. Chairman, I am surprised that the investor is getting into this debate. My idea of a speculator is one who buys something that he didn't own previously; he buys it with the intention of turning it over fairly rapidly at a good profit.

I have a relative who lived in a house for 18 years and then bought it 45 years ago. Having occupied the house for about 63 years, because of ill health and old age, this relative now has to leave the house; it stands unoccupied at the moment, but the immediate prospect is that it will be rented for a year, perhaps for two years. Now, supposing this relative continues to survive, and for some reason wants to sell this house, can you by any stretch of the imagination term this relative of mine a speculator? That's my question, and I would appreciate an answer.

Hon. Mr. Meen: I suppose the short answer is, Mr. Chairman, if he holds on to it for a period of time after he no longer requires the possession of it, yes. Or, if he is holding on to it to derive revenue from it, then he is an investor under section 20. We recognize the validity of people holding on to, for whatever reason, residential property for investment purposes. Consequently, the new section 20 in the bill.

But one way or the other, it is not all the years he has held it over the past, say, for 15 years as a tenant and then some 40 years as registered owner that counts. It is the present tense that we are talking about. What is his present intention and what is his intention from now on? We have a speculation tax Act and he must recognize that if he holds it and derives rental income from it, then he is an investor.

Now, we get back, under subsection (e) to which we are presently directing our attention, to the question when does he cease to have it as his principal residence? I thought that was what the hon. member for Sandwich-Riverside was going to raise with me, because that gets to the nub of the problem we have been discussing for the last hour and a half. What constitutes principal residence and how are we going to define it? As we say, the feds have taken 10 pages of interpretation to try that. We would expect that it would take us a few pages to do it, too.

To touch on some of the problems the hon. member for Ottawa Centre has referred to. A fellow takes a job at, say, the Department of External Affairs in Ottawa requiring him to do a two-year stint in some foreign city. What about that situation? That happens to be one that is covered, I understand, in the interpretation sections under the Income Tax Act for the purpose of a residency.

Whether we would adopt the same kind of principles they have—and I can't tell the hon. members what those are; I don't know what they are.

Mr. Cassidy: You can't say because you don't know. You haven't worked it out.

Hon. Mr. Meen: But those are going to be some of the things we will look at. When we do, we will be looking at the chap in the situation outlined by the member for Sandwich-Riverside, where he has occupied his house for years as his home, then he finds it is no longer suitable to his present needs. There are all kinds of reasons why that can happen—your children grow up and move away and the house that was adequate in its facilities for your wife, yourself and your growing family is no longer the right size. You and your wife are rattling around in the place and you want to get something smaller.

So, you may well find that you wish to sell for that reason. Or, it may be that you can no longer afford to maintain it; you are in

your retirement years, perhaps, and your income is inadequate. Perhaps you simply want to get into smaller accommodation that is more to your own taste and let somebody else do the maintenance work. There are all kinds of reasons why one might want to sell, or at least move into other accommodation.

If an immediate purchaser weren't around, you might say, "Well, I am prepared to speculate on the future and hold this as an investment property in the meantime." If you hold it for a period of three years and up, you get the advantages of the provisions of section 20 of the Act. Eventually, after a period of 10 years holding on that basis, you would be free and clear of any attraction of speculation tax.

So we are not setting out to hurt that person, but what we have to have is a definition that applies from April 9, when there was, in fact, the suggestion in the announcement made that we were going to levy the tax on the speculator, the person who is getting in as the quick turnover artist, the person to whom the member for Sandwich-Riverside referred. We want to get at him, but in the course of getting at him—because you just can't draw a definition of a speculator—you have to look at the actions and the timing and all the rest of it to hit these definitions in a roundabout fashion. In doing that you maybe pick up others whom you don't want to hurt, and so you wind up with some of the exemptions and the exceptions which we are trying to build into section 4.

I would think that, again, in circumstances not unlike the one illustrated by the member for Sandwich-Riverside, it might be possible in the course of a definition of what constitutes principal residence, to protect that person for at least a short period of time. Some members in the House earlier tonight suggested three months, six months, something like that. That might be practical. But beyond that time, he has got to decide whether he is going to sell the property or whether he is going to hold it as a rental property, because the period of time will then start to run in his favour for the reduction of the amount of tax.

I think people may well have to have good qualified advice, either from their friendly solicitor or from a qualified tax expert to whom he might steer them. But one way or another, with this piece of legislation new on the books as it will be, there is going to have to be some people to give advice to those of us—and there will be many—who need some kind of guidance in the ordering of our financial affairs.

Mr. Bullbrook: As Sam Goldwyn would say, include me out, because no one can advise on this at all really.

Mr. Chairman: The member for Sandwich-Riverside.

Mr. Burr: I think it would be rather difficult to persuade any 87-year-old relative who has owned a house for 45 years that he is a speculator. Do you mean to say, if he or she rents this property for six months and then dies, this becomes a speculative property for the heirs?

Mr. Bullbrook: If it is sold or transferred by will.

Mr. Burr: If it is sold or if it is transferred by will, it is a speculative property?

Hon. Mr. Meen: It passes by the terms of the will and, eventually, if it is left to them by devolution, then it passes to the successor. If it has to be sold by the executors for the purpose of payment of succession duty, and if there is an appreciation in value from the date of death until sale, then there would be tax paid on that increase in value from the date of death, but no tax payable up to the date of death.

Mr. Chairman: The member for Ottawa Centre.

Mr. Cassidy: I want to pursue this a bit further because I'm still finding an awful lot of anomalies and seeming unfairnesses in the Act. I'm trying to put myself into a sort of two-way—

Hon. Mr. Meen: I wonder if I could just interject for one moment as I want to correct something that I think I may have been slightly in error on, that is, in the illustration given by the member for Sandwich-Riverside. I think he said if a person rented out the property for, say, six months and then died.

If there is an appreciation in value over that six-month period, then there would be tax payable on that amount. That's an increase from the time when he ceased to use it as his principal residence. It has then become an investment property. It's in effect less than the three-year period, so there would be some attraction of tax. But, let's face it, it would be small, because the period of time is small.

At least technically, I would think there

would be some attraction of tax on that short period. Then if his executors hold it beyond that period of time, maybe with the same tenants, but eventually do sell it for the purpose of distribution of the estate either in kind or in money, then if there were any further accretion in value in that asset after the date of death, there would be tax payable on that amount of increase as well.

I just want to clarify that there could potentially be the two areas that would attract some tax.

Mr. Bullbrook: Can I clarify that for a moment? Would you permit me to proceed—

Mr. Chairman: Go ahead.

Mr. Bullbrook: —so the member for Sandwich-Riverside understands this? If you take the definition of any change, under 1(1)(d)(iv), page 4—to understand the impact of your hypothetical case—it says, "any change in the entitlement to, or any accretion to, the beneficial interest in designated land as a result of the death of any person." No matter what the minister said with respect to accretion in value relative to the date of death, I want my colleague from Sandwich-Riverside to understand that under this statute that person who owns that land for 45 years is understood to be a speculator.

Mr. Burr: I understand it.

Mr. Bullbrook: I want you to understand that. I want members to understand the inequity and the stupidity of that type of situation. I want to say again we're after speculators, but not this situation for one moment by any stretch of the imagination. As a result of the disposition of a property under the terms of a will, where a person had held it for 45 years as a principal residence but not within the exemption that we are talking about under this amendment, he's subject to a tax as a speculator.

Mr. Burr: I understand it but I don't believe it.

Mr. Bullbrook: I don't believe it either. I just can't believe that we are attempting to put forward in a statute the principle enunciated by the Treasurer in his budget speech. It beggars description.

Mr. Chairman: The member for Ottawa Centre. We are on Mrs. Campbell's amendment to subsection (e).

Mr. Cassidy: Yes, I understand that, Mr. Chairman. I just might say that after some interesting discussions with my colleagues the idea of an exemption of a principal residence makes some sense to me. But I want to put before the minister a set of circumstances which suggests to me that the bill as it is drafted now and in this particular section is really pretty perverse, unless there is going to be some substantial changes which I do not think can be comprised in regulations, given what this section says when it's coupled with section 20, I believe it is.

As I understand it, if the member for Grenville-Dundas (Mr. Irvine), for example, who was a relatively well-to-do dabbler in land—

Hon. D. R. Irvine (Minister without Portfolio): Thank you very much.

Mr. Cassidy: —owns a property which is rented out as an investment property today, and if the Minister of Revenue, who was a less well-to-do dabbler in land, simply owns his own home, which is next door and is a similar kind of property, then if six years from today the minister decides to move out of the property that he owns and moves into an apartment or buy some other land and rents his premises out, and then eight years from today the two of them decide to sell their properties which are side by side for a comparable price and a comparable gross profit—for the sake of agument in eight years let's say that the properties double in value—the member for Grenville-Dundas as a well-heeled investor or speculator, call it what you will, would be exempt from the tax according to a section we will come to later in the bill. The Minister of Revenue, as a less well-off owner of property becomes subject to the entire tax on the entire accretion in value from April 9 until the time he sells it. If he holds it for a bit longer so that he has rented it out for three years—and well you might talk together as a matter of fact. I think there could be some jealousy there because of the inequity of that particular situation. Does the minister follow what I am saying?

Hon. Mr. Meen: No, I don't follow what you are saying.

Mr. Cassidy: Let me translate it again then.

Hon. Mr. Irvine: And I don't either because it's that long.

Mr. Cassidy: Two properties are held; one is an investment property today and the other is a principal residence. Nine years or

maybe 10 years from today the investment property is sold. It's exempt from tax because of the exemptions that are in the bill. The principal residence is rented out as an investment property after five or six years and is then sold at the same time as the investment property after 2½ years of being an investment property. It then attracts the tax on the entire accretion in value from April 9, 1974, until the end of that period of time, because according to the Act the fair market value at the time of the Act is coming into force or the acquisition price is the price from which you begin to compute its increase in value.

If the minister says it's only the last three years, I would like him to point out that particular section. I would still like him to explain why the entire increase in value in the one case is free from tax while in the other case, covered under this section or not covered under this section, the property attracts tax, even though it has been held in the same hands for a comparable length of time and presumably by somebody with, on average, less means.

Mr. Lawlor: It is true there is a discrepancy as to the weight of the tax.

Hon. Mr. Meen: I am not sure I see the discrepancy to which the hon. member refers, Mr. Chairman, and I don't see the difficulty here. We are under subsection (e). I listened to his argument but I simply don't follow what he is saying.

Mr. Cassidy: Mr. Chairman, if a principal residence is occupied as such for eight years from April 9, 1974, and is occupied for a couple of years as an investment property and then is sold and if, for the sake of argument, the value of that property increases from $50,000 to $100,000 over that period of time, taking apart the various exemptions for maintenance costs and so on that are here, just taking the straight overall profit, is the sole $50,000 in profit not then taxable according to this tax?

Hon. Mr. Meen: I would ask the member to repeat that. I was distracted momentarily. I heard the latter part but I didn't hear the first.

Mr. Cassidy: If a property is today occupied as a principal residence, continues to be so occupied for eight years, is rented out as an investmentment property for a couple of years and then sold, is the full amount of the profit over the period from 1974 to 1984 not then taxable according to this tax?

Hon. Mr. Meen: Yes. In this case there is no provision for accretion in value if that is what the hon. member means by profit.

Mr. Cassidy: That's right.

Hon. Mr. Meen: That's what I didn't follow in his first question. That is right.

Mr. Cassidy: Okay. But then surely that's perverse if property owned by the member for Grenville-Dundas, to follow a previous example, which is a similar property and has a similar accretion in value, but which is held throughout that period as an investment property, rather than a principal residence, becomes totally exempt from the tax.

In the one case all of the profit is taxable, despite the fact that it is only used as an investment property for two-tenths of that period, and in the other case none of it is taxable.

Hon. Mr. Meen: Yes.

Mr. Cassidy: A principal residence for eight-tenths of the period attracts the full tax and investment property for 100 per cent of the period attracts none. Now that is a perverse application of this bill, according to the principles the minister has put forward.

Hon. Mr. Meen: The hon. member is entitled to his opinion, Mr. Chairman.

Mr. Cassidy: I would like to ask the minister what he is going to do about that if, in fact, he intends to bring into the bill the kind of exemptions that are contained here. If he wants to tax the investment property in the same way, that is fine. I don't object. I may be the only member in the House who doesn't object. But I do object to a situation where somebody who is a legitimate long-term holder of property has to pay the full weight of the tax because he happens to live in it for several years, but somebody who is a speculator or investor can completely escape the tax.

Hon. Mr. Meen: The catch here is that there has been no transfer of title and nothing therefore to trigger another value assessment on the property. It might have gone up; it might have gone down. I suppose it is possible, if one were to rent the premises, to determine the present value of the lease and from that to determine the value of the premises. But there is no act by way of a sale of the property by the owner and principal occupant in order to establish a new value based upon which the rental figures would then accrue.

Now if one were to get into that—and that's an interesting observation he makes, by the comparison he drew earlier—

Mr. Cassidy: It sure is.

Hon. Mr. Meen: I think one would have to say that we were not providing for that in this bill, that one would have to have a sale; and if one got into that position and decided to establish a figure, he would then sell the property and his purchaser then would rent—

Mr. Lawlor: He had better get a pretty sharp lawyer to tell him to sell, not to rent.

Hon. Mr. Meen: But, you see, as it stands there would be nothing on which to establish a value so as to be able to give an appropriate credit to the owner who has become a landlord eight years later. As things stand anyway, I think it would be rather complicated to establish a figure that was appropriate for him, unless we are to do it based on a natural disposition that occurred. But the actual ceasing to occupy—

Mr. Lawlor: Ceasing principal residence.

Hon. Mr. Meen: —one's principal residence and the execution of a lease would not automatically trigger a value upon which the allowances under section 20 would be appropriate.

Mr. Cassidy: Mr. Chairman, surely the minister ought to be talking now in this Legislature about amendments that he will bring in at a later date, since presumably the bill will continue in debate at the rate we are going at half a page a day, in order to cover this kind of situation, because otherwise it really is unfair.

I don't think the minister can simply dismiss this, because it is a very real set of circumstances. I think of the kind of situation where somebody decides, shall we say, to move to the country and rents out his town home for a couple of years while he sees whether or not it goes in the country, then he wishes to sell and finds out that he can't. To pay the tax on the accretion of value over the couple of years that he was in the country, if it works out out there, is fine; he doesn't mind. But he wants to have a stake back in town, in his own neighbourhood if he finds out that rural living doesn't work. According to the standards of the rest of the Act, that privilege ought to be available to them without payment of taxation.

I find myself in a rather uncomfortable position, arguing against the full effect of the tax, but because there are so many other exemptions from the tax it seems to me quite criminally wrong that it hits this particular situation. As the member for Lakeshore says, you have got to have a good lawyer. A lawyer may say to them, "Look, sell now; then if you want to, you can buy in a couple of years when you come back, if you think you are going to have to come back." But they may say, "We don't want to have to go through all that hassle. We would want our own house back if we ever came back here." Which is a perfectly understandable kind of thing. Then the lawyer would say, "Well, sell it to me and I will sell it back to you." But that would dissolve under the scrutiny of the eagle-eyed tax assessors who would say that that is not a real deal, that that was simply a—

Hon. Mr. Meen: That's right.

Mr. Cassidy: That's right, as the minister says.

Mr. Chairman: Pardon me, I should like to say—

Mr. Cassidy: Yes.

Mr. Chairman: —to the member for Ottawa Centre, I think you are discussing section (e) which has already been passed. The matter before the House now is Mrs. Campbell's amendment. Perhaps I should read the amendment at this point.

Mr. Cassidy: I am sorry, Mr. Chairman. It is not possible for the amendment to be under debate if the section has passed. You will agree with me on that.

Mr. Breithaupt: It is not passed.

An hon. member: Carried.

Mr. Cassidy: On a point of order, Mr. Chairman—

Mr. Chairman: The amendment is the matter before the committee now, here.

Mr. Cassidy: I understand the amendment is being debated, but the section cannot have been passed if we are trying to amend it.

Mr. M. Shulman (High Park): You can't if you are going to amend the section.

Mr. Cassidy: You can't do that. It is just not possible, Mr. Chairman. When we vote on the second amendment it may be deemed by the Chair to include the vote on the subsection as a whole.

Mr. Chairman: I should like to point out that what is before us at this moment is the amendment of Mrs. Campbell.

Mr. Shulman: The section is not passed.

Mr. Cassidy: Yes. But the way the vote is taken, Mr. Chairman, is that when we vote on that particular amendment proposed by the member for St. George, we will also be voting on the whole subsection.

Mr. Good: We have already passed the amendment of the first section.

Mr. Cassidy: I believe that is the practice here and, therefore, it is possible for me to talk about this particular subsection.

I have talked at some length. Could the minister say what he thinks he might do about it? Has he had some paper from his officials to indicate the saving measures that might be taken? Would it be possible to have a deemed disposition, or something like that, at the point at which property passes from being principal residence to being investment property, which would seem to be the reasonable kind of thing? Or would it be possible to have a time limit which applies to any kind of holding so that, for the purposes of section 20 or 21, use as principal residence could count on the number of years required for the exemptions under investment property.

Hon. Mr. Meen: Mr. Chairman, it's entirely possible to do that. I don't have it drafted and I don't think we should try it now, but that's one of the things we are looking at as a result of these discussions and submissions I have received. A deemed disposition at that time might be an appropriate way to do it. The hon. member himself suggested that there may well be other ways to do it too, and so I say, "Yes, I recognize the problem." He calls it a gross inequity. I am not sure it is. Certainly, it is not an area that has been as fully covered as I would like—

Mr. Lawlor: What was your intention?

Hon. Mr. Meen: —and I would say that we would, at another time, consider an appropriate amendment.

Mr. Lawlor: I never saw anybody so full of good intentions.

Hon. Mr. Meen: It may be that a deemed disposition would be a way to tackle that, but I have not any well-considered advice on that point at the present time.

Mr. Cassidy: Well, Mr. Chairman, that wasn't the reaction of the minister a few minutes ago. I appreciate the tone of his reply this time. I presume that he would intend, if that was the case, to bring forward such a proposal when we get to section 20 or section 21.

Hon. Mr. Meen: No, I hadn't considered it then. It may not be appropriate at this time, but certainly at the earliest moment in considering the bill. But whether we do it at this particular session for sections 20 and 21, I couldn't say at this time.

Mr. Cassidy: I just say in closing that I think that the minister should, given the talent that he presumably has available to him, which may help to supplant his own inadequacies, seek to bring forward such an amendment when we get to the later stage of the bill, where it would seem to be appropriate.

Mr. Lawlor: You have two weeks to do it in.

Mr. Chairman: The member for Sarnia.

Mr. Bullbrook: Yes, I just want to take a moment. The nub of our debate is purportedly to be our desire to support the principle of the amendment put forward by the member for St. George to extricate from the tax those people who obviously should not be burdened with this tax. The definition, under section 54(g) of the Income Tax Act of Canada, basically says that a principal residence is one ordinarily inhabited by the taxpayer in a taxation year or, alternatively, that which he or she elects to be the principal residence. Very simple. There is no memorandum 10 pages long of intention or interpretation. It just says, in effect, under the Income Tax Act, that it's where you ordinarily inhabit during the course of the taxation year or you elect—you elect—as your principal residence.

We know the impact of that section. There is nothing mysterious, there is no mystique in connection with defining what our intention is. We want to make sure that these people are not subject to the tax. Again, I say to you, we could stand this down. Your advisers and we in the House could work together and make sure that a section is passed that ensures that these people will not be subject to the tax. It's not difficult.

I asked the library to send me down the Act so that I could read it to you. Contrary to what the minister said, there are no 10 pages of interpretation. There might be 10

pages of interpretation of what the section says, but surely to goodness we can put in a statute what we intend and then let the minister interpret it. But let's not leave a statute vacant and void of words that signify our intention.

I am not going to burden you again by telling you that a court of law or any administrative tribunal that is asessing what we intended doesn't look at the debate. They don't look at what the minister says or what I say; they look at what the statute says, and we have got to ensure that those words are in the statute.

I again request your consideration of standing it down. Let's stand it down. We can do it very easily by saying that it's the place ordinarily inhabited by the taxpayer, or we can put in some words of election where those people who go to a nursing home, who, again because of impact outside their own direction, leave their principal residence, can elect to retain it, for the purpose of this Act, as their principal residence.

Mr. Chairman: The member for High Park.

Mr. Shulman: I would like to ask the minister a question. I am sorry I am a little late. If this point had been brought up earlier, perhaps you'll draw me to order.

A case had been drawn to my attention by one of the unhappy lawyers in the city of a gentleman who has been married for some 20-odd years and unfortunately developed some marital discord and left his family. He is no longer living in the residence which he has owned for that same 20-odd years. In fact, he is now resident in a flat. His spouse and his children are still living in the house. It appears that is a permanent arrangement.

If and when that house is sold, I am told that because the wording in the third line of section (e) is "and" instead of "or," they are going to have to pay this tax. What it says here is, "ordinarily inhabited by him or by him and his spouse." What it should say, of course, is "by him or his spouse." If you leave it as it is, those people who are so unfortunate as to leave their families are going to have a great additional financial penalty as a result. Would the minister care to comment?

Hon. Mr. Meen: No, I don't think there is much of a problem interpreting that. That's just precisely the situation. His principal residence is his room or whatever he has adopted, and if he remains the owner of the other accommodation then, on its sale, of course, he is not occupying it so it is not his principal place of residence.

Mr. Shulman: I appeal to the minister's sense of justice. Does he not see any inequity in that? Does that seem proper to him?

Hon. Mr. Meen: I am not sure that I am exactly the one to suggest that husband and wife should split up, to the detriment of the children.

Mr. Cassidy: Oh, Mr. Chairman, please—

Mr. Shulman: Oh, Mr. Chairman, we expect a little better from the minister. It has been known that even Tories have left their wives. Are they to be penalized financially—

Mr. Lawlor: You are going to punish them?

Mr. Shulman: —because you insist on putting the word "and" in instead of "or"?

Mr. Breithaupt: That's the Conservatives.

Mr. Lawlor: This is the Puritan conscience with a vengeance. It is incredible. Double jeopardy. You not only lose your wife but you lose your money too. Ridiculous! I have never heard of such a thing.

Mr. Shulman: I invite the minister to reconsider. Is he really serious or is he just overtired as a result of the long debate? Will he not reconsider changing the word "and" to "or," which would solve his problems, instead of penalizing all of these people? There are people who split up. Are they to be penalized by the minister because they've split up, in addition to their other sorrows?

I ask the minister, won't he change the word "and" to "or"? Is that really such a horrible change in the bill?

Mr. Lawlor: He wants to make the wife go out and live in a flat.

Mr. Shulman: Is the minister going to respond?

Hon. Mr. Meen: I do not intend to alter that section of the bill, Mr. Chairman.

Mr. Chairman: Members of the committee, we have the amendment moved—

Mr. Shulman: Wait a minute! Just a minute, not tonight.

An hon. member: You can elect.

Mr. Shulman: Perhaps it is foolish of me. Perhaps the gentlemen to my left are quite

right, in this bill I should not look for equity. But I—

Mr. Lawlor: We have to look for common sense.

Mr. Shulman: The member for Lakeshore is right. If we can't have equity perhaps we can have common sense. What has happened? Is this the Stonewall Jackson of the Tory party?

Mr. Lawlor: If he started amending it, he'd never quit.

Mr. Shulman: Well, he has started amending it, so we might as well try to make the best of a bad job.

I am a little upset at being dismissed so out of hand, Mr. Chairman. Surely, when there is a blatant error in the bill that can be corrected by changing the word "and" to "or," the minister shouldn't be such a stupid, stubborn man. Try to be reasonable occasionally.

Interjection by an hon. member.

Mr. Shulman: If the minister doesn't want to accept reasonable amendments, we'll accept that.

Mr. Chairman: Order, please.

Mr. Shulman: I apologize. I take back "stubborn."

An hon. member: Stupid.

Mr. Shulman: Is that the word you were objecting to? I'm sorry.

Mr. Chairman: I would like the hon. member to withdraw those words.

Mr. Shulman: I would be pleased to withdraw them if I insulted anyone.

Mr. Cassidy: Does obdurate pass?

Mr. Shulman: Obdurate. Is "obdurate" all right?

Mr. Cassidy: Perverse as well.

Mr. Shulman: Obdurate and perverse.

Hon. Mr. Meen: And inflexible.

Mr. Breithaupt: If you said anything you are sorry for, you are glad of it!

Mr. Shulman: If I have said anything I am sorry for, I withdraw. Is that all right?

An hon. member: That's very good.

Mr. Shulman: Okay. I certainly wouldn't want to accuse anyone of obduracy. Is obduracy okay?

Hon. Mr. Meen: Come on, let's go.

Mr. Cassidy: Politics is never having to say you're sorry.

Mr. Shulman: Quite seriously, I am sorry I used those bad words. I'll try not to use four-letter words in here. But I am a little carried away by the minister's—

Mr. Lawlor: Perverse is a five-letter word.

Mr. Shulman: I'm sorry. I'm a little carried away by the minister's refusal to listen; I am speaking to the minister now—

Hon. Mr. Meen: Oh, yes.

Mr. Shulman: There is a gross error in this section. The minister is taxing all sorts of people he doesn't want to tax, in section after section.

Mr. Taylor: It's deliberate.

Mr. Shulman: Is it deliberate?

Mr. Taylor: That's right. He said it is deliberate.

Mr. Shulman: Okay. I have the sensation that it is a form of collective suicide being carried out over there. The minister is irritating all sorts of people across the province who normally vote Tory. He is catching all sorts of people who are innocent of anything except having problems in their personal life. Why?

Come on, Mr. Minister, surely it is not unreasonable to take a look at each section as we are trying to do? The reasoned amendment from the Liberals certainly should be accepted. For reasons which I cannot fathom to refuse it—but let's leave that aside for the moment.

How can the minister possibly want to take a man—I mention this man here because he is such a prominent Tory lawyer, and I don't want to embarrass him—but how can the minister take a man like that who bought his home at the same time I graduated, in 1950, who has lived there 24 years and who has now moved out for six months because he and his wife don't get along, say that if he dies and that house has to be sold, he is a speculator? It just doesn't make any sense.

Mr. Taylor: That's what he gets for getting married.

Mr. Lawlor: That's what he gets for deserting his wife.

Mr. Shulman: Can the minister tell me what harm would come in changing this section, line three, the word "and" to "or"? Can the minister tell me what harm would come to the province, what harm would come to the Tory party, what harm would come to the Ministry of Revenue, by saving these people who happen to be caught in an error? If there is some harm I'd like to hear it.

Mr. Chairman: Now—

Mr. Shulman: If the minister won't respond, then I'm going on. Will the minister not respond to me? Is there no reasoning behind it?

Hon. Mr. Meen: I thought I had made that clear originally, Mr. Chairman—and I don't like to keep on repeating these things. The fact is that it's the normal residence of the transferor or of the transferor and his spouse—

Mr. Shulman: And his spouse, right.

Hon. Mr. Meen: —and their dependents. Yes, period. We aren't prepared to extend it further.

Mr. Shulman: Can the minister—

Mr. Burr: He has only one residence. He has only one house.

Mr. Shulman: But it's not his principal residence.

Mr. Breithaupt: Connubial bliss will out.

Mr. Shulman: I accept the facts. I realize what it says. It says, "a normal residence of the owner and his spouse." But the question which I asked the minister and to which I didn't get a response is what harm would come by saying "or his spouse and children"? There are a lot of people in this province who are separated and those people are completely unaware of what has already descended on their heads. Most of them are unaware, a few happen to be lawyers and have read this bill with horror. I am sure there must be lawyers on the other side who are aware of this.

This is not an unreasonable request, Mr. Chairman. It isn't going to cost the province a great deal of money but it is going to save some families a great deal of their assets. These are families which are in difficulties, families which have had a division.

Hon. Mr. Meen: If this lawyer who is separated or has deserted his family or whatever, and has left his wife and children in the family home without benefit of some kind of separation agreement which transfers the title of the premises or in some other fashion properly looks after her, frankly, my heart bleeds. I don't really see what kind of specific provision we should make that would, in fact, give them an option of two homes on which they could have this kind of protection.

Mr. Shulman: I want to tell the minister just how foolish he is here. It is already happening. This nutty law of yours has produced one result and I'll tell you of another case which I was given tonight. I have the details and the names here. If he wants I'll show them to him privately, if he doubts me.

We already have one family which is going through the motions of splitting up. It is such a ridiculous thing. They are not splitting up. They are going through the motions of a separation so they can have two principal residences because there is so much money involved. This is one of the ridiculous side-effects of this bill. You can get around these provisions of yours—it's legal—if you want to be devious. There is no difficulty getting around it.

If I happen to own two properties and decide I want to make a capital gain on both of them, all I have to do is go through the motions of getting a separation from my wife, put one in her name and one in mine and they are both immune. This chap happens to be a non-devious type of person. That was an unfair comment you made—he has made proper arrangements for his family including giving a very sizable settlement to them and paying them a weekly allowance. It did not include signing the family home over and yet the minister is saying because of this unfortunate family circumstance he won't consider it.

I am disappointed, shocked, surprised. Perhaps I shouldn't be surprised because it is just one more of the various nails that are going into the coffin of those who are supporting this bill. Don't kid yourself. Right now what is happening in here isn't getting out to the public; it's not getting out at all, nowhere across the province. But after this is all over and these provisions start spreading from the little circle who are aware—the little circle of real estate men, of lawyers, of the few people who are beginning to get caught and are being advised—this is going to spread not only across the province; you

are going to be famous all over North America.

But you are hurting all sorts of innocent people. You are going to bring yourselves down. It is just this type of section that is doing it, and the refusal to consider the arguments, the considerations of the other side.

Mr. Chairman: Those in favour of Mrs. Campbell's amendment please say "aye".

Those opposed please say "nay".

In my opinion the "nays" have it.

Mr. R. F. Nixon: We will stack it.

Mr. Chairman: Yes, stacked. We now go on to subsection (f).

Mr. Cassidy: You see, Mr. Chairman, we were talking about subsection (e) in its entirety.

Mr. Chairman: The member for Kitchener.

Mr. Breithaupt: On subsection (f) I have one point I would like to raise with the minister and that deals particularly with the matter of 20 acres referred to at the end of this subsection.

It is my view that there are, of course, certain townships and other planning areas which do not allow subdivision of various parcels into items as small as 20 acres. There may, of course, be those which are 25 acres and that, I think, is a more common number than your figure of 20. I am wondering if there is some consideration being given with respect to the slightly larger parcels or with respect to the minimum parcel which is allowed to be subdivided? If, for example, the parcel is, shall we say, 25 acres it would appear we are concerning ourselves with the possible applicability of taxation to that amount larger than 20 acres though a person could not deal with it as a separate parcel.

I am wondering if the minister has considered that particular problem where it may exist in some municipal jurisdictions. If the minister has considered it, how does he propose to deal with this concern which may develop when one could not get a severance of anything smaller than a somewhat larger number of acres, probably the 25 figure to which I have referred?

Hon. Mr. Meen: Mr. Chairman, I did give some consideration to that size of 20 acres. It is not specifically or deliberately unrelated to —nor is it related to, for that matter—any particular size. I was aware, as the member for Kitchener is also, that there are many parcels in areas of the province which had the minimum figure of 25 acres. There are thousands and thousands around which are probably on the basis of the minimum of 10 acres from the old Planning Act of the 1950s and the 1960s when the 10-acre parcels were invoked. There are a lot of those, too. The 20-acre parcel was simply selected as a sizable parcel, 100 per cent larger than the maximum we permit for one's main residential property, but it was not picked deliberately to be smaller than the 25-acre parcels.

The other question, of course, is how do we propose to evaluate the remnant existing of any particular parcel, be it a 25-acre parcel or a 50-acre parcel or whatever, when we come to question the recreational parcel of 20 acres and determine its value and the value of the residue?

Mr. Shulman: Draw lots.

Hon. Mr. Meen: We would have to look at the zoning which applied at the time to determine what its marketability was. It might be that it was capable of being developed as a single parcel. On the other hand, it might turn out that it was not, under its current zoning and land use controls. On that basis, the valuation would be significantly less.

Whenever this question comes up, I anticipate my staff will look at the parcel and determine the worth of the 20-acre section and the worth of the residue in determining the applicability of tax and, therefore, the amount of the tax that would be assessed. One would have to look at the value on acquisition or April 9, whichever last occurred, and then the current value. If, perhaps, some rezoning permitted the five-acre parcel in the hypothetical case advanced by the member for Kitchener—if I understood his example correctly—it might well be that it was worth a good deal more because of some rezoning which occurred or some change in the land use requirements. We would look at it at the time and make a determination of the amount of value attributable to that parcel and whether it could or could not be used for certain purposes.

Mr. Chairman: The member for Lakeshore.

Mr. Lawlor: There is one small anomaly that comes to mind immediately. If you sell your principal residence in the city and move up to your principal recreational property you deplete yourself by one-half, so to speak; you have ceased to have 20 acres and, by that miraculous act of transportation, have reduced yourself to 10. That is one of the

curious consequences. I take it also that the section has nothing whatsoever to do with investment property? Obviously, you don't have to occupy it; if you rent it that's your business. If you only rent it for part of the year it still remains a principal residence. In other words, the benefits that accrue to principal residential property are considerably greater than that of your principal domicile, aren't they?

What is the purpose behind all this? Is this a pure gratuity, a little meringue off the top of the lemon pie? Is the legislation so coercive and perverse in most of its aspects that this is the sole gratuity being visited upon the heads of the Conservative people who own the recreational properties? Is this your little bonus? Your gift from the gods? The opening of the palm? Is this the only thing that you do within the whole scope of your legislation? I am not just being necessarily sarcastic, I am also suggesting that that's your whole purpose behind it. It's a pure act of graciousness, isn't it?

Hon. Mr. Meen: Sir, I think many of us felt that the federal capital gains tax legislation was too harsh when it came to not recognizing the recreational property that has become a way of life with a good many of our people.

These recreational properties bring a lot of wealth into the recreational areas of this province, and certainly it is my feeling, and I think the feeling of most of my colleagues, that there should be some kind of recognition of a principal place of recreation or the taxpayer. He should have at least one little hacienda in the highlands to which he can repair, and not figure that he is going to be subject some day to a further speculation tax on that as well as any other properties that he might own. It has to be his principal recreation for his own personal use and enjoyment. Members will note that there are one or two other requirements imposed in this section as well, but premising that he meets those requirements as to acreage, and as to whom the disposition takes place, then he is free of any land speculation tax. This seems to us to be a reasonable way to try to keep our residential properties within our Canadian residents' hands, too.

Mr. Lawlor: Is it your intention in due course to bring greater precision and definition into the situation, as you are going to be forced to do on the other one which you have acceded to?

In other words at some point are you going to seek, by means of regulation or otherwise, to define what a principal recreation property is, and if it is at the disposal and use for recreational purposes only of the individual? And are you going to define to what extent he may alienate it in terms of tenancies, or of not making a visitation to the spot? Does that make any difference? Are there going to be residential requirements and over what period of time? Are these things all in your mind in this regard too?

Hon. Mr. Meen: I must say that I haven't had a chance to direct my attention in any great detail to the kind of regulations in the way of description that I would consider here, Mr. Chairman, but certainly those are elements which it would be desirable to define in some greater detail in the regulations. I would not think that residency would be nearly so essential here—under recreation and enjoyment property—as it would be for one's principal residence under subclause (e).

Nevertheless, it would be essential that it still remain the principal place of recreation and enjoyment of the taxpayer.

Mr. Lawlor: Hear, hear.

Mr. Chairman: The member for High Park.

Mr. Shulman: I have no hope of persuading the minister of anything at this point, Mr. Chairman, but just for the record, I want to point out one more anomaly, so that perhaps in a year from September, when these things come to be looked over, we can have one more case on record.

In the last section the minister refused to exempt people in nursing homes. He refused to. As he put it, his exact words were, "I am not going to allow a man, just because he has left his wife, to have two residences." But in this section he will take a gentleman like—I won't mention his name—that very, very wealthy man who used to own the racetrack on Dufferin St., who happens to have a $500,000 place out near Acton that is exempt. He also happens to have a $200,000 place in Toronto that is also exempt. This is the minister's idea of fairness.

So here is a man—who, really, if there is such a thing as speculation—whose beautiful spread out in the country represents speculation. But the minister says, "No, this is not speculation, this is one of our good solid citizens who should should have a nice little place where he can have recreation." And if the place happens to go up in value by some $100,000 per year, which is exactly what is happening to that lovely little spread

of his, the minister says, "That is not speculation. That is legitimate."

But if there is a little old lady in a nursing home, the idea is, "We will fix her. That's speculation." I've no thought that the minister will change his mind; I just want this to appear on the record as one more instance—and there's going to be a long series of them—of how this minister has brought in an inequitable Act to punish the innocent and reward the guilty.

Mr. Chairman: Shall subsection (f) stand as part of the bill?

Subsection (f) agreed to.

Mr. Chairman: On subsection (g), the member for Sandwich-Riverside.

Mr. Burr moves that subsection 4(g)(ii) be amended in line three by changing "20 per cent" to "10 per cent."

Mr. Burr: During second reading I mentioned the case of the home renovators, two brothers who have been buying a home a month, or about 10 a year, renovating them with their own labour and making a living, a modest living, by reselling them.

I pointed out at the time, in one of the two examples that I gave, that the materials that were used in the renovation came to only 18 per cent – I didn't work out the percentage at the time but I have since—and, therefore, the house was not exempt because it hadn't reached 20 per cent. The labour expended by the two brothers would represent another eight per cent, so if you counted their labour, you actually have an improvement of 26 per cent—more than enough to make the property exempt from speculation tax if their own labour was counted. One of my questions at the time was, is there any way in which they can count their labour?

In the other example I gave, materials cost approximately five per cent and their own labour amounted to only four per cent, a total of about nine per cent.

I have explained why I suggested in this amendment that we cut the 20 per cent to 10 per cent. Using round figures, let us take a house worth $20,000 and a lot worth $10,000, making a total of $30,000; in order to get a 20 per cent figure for the renovation, you need $6,000. But $6,000 on a $20,000 house represents very considerable renovation.

If you were able to take the 20 per cent on the house value, $20,000, that would be $4,000, which would make much better sense. But I am informed that under the new assessment programmes, the value of the house and the lot are not kept separate. Therefore, this would not be feasible.

If you then take the figure of 10 per cent of the total value of the house and lot, in this instance it would represent a $3,000 renovation, which seems to me to be in the area of reasonableness.

Now if the minister has thought of any other way in which these renovators can be kept at work—I know at the time he indicated that his intention was not to put them out of work—I should like to hear what the minister and his advisers have been able to work out in this instance. If it is satisfactory, I would be glad to withdraw the amendment. But I put the amendment in order to speak on this.

Hon. Mr. Meen: Mr. Chairman, I'm pleased that the member for Sandwich-Riverside has raised this question. I've had a number of submissions. Some of them have told me that the 20 per cent figure is too low. Those have emanated from the Metropolitan Toronto area, where land values are so high. Consequently, a 20 per cent figure based on the total acquisition cost seems to them too easy a figure to meet, to say nothing of what they would think if I were to put it at 10 per cent, as the hon. member suggests.

I have also had submissions from outlying areas—that is, anywhere outside Metro—that confirm what the member for Sandwich-Riverside says about the average costs of renovation in a home in, say, Windsor, where land values may run at a quarter, or a third, something like that, of the total rather than 50, 60 and 70 per cent, as we find to be the case in the core area of Toronto.

It follows, then, that 20 per cent to some looks high and to others looks low. Ten per cent might well be right for Sandwich-Riverside, but again might be wrong in some of the remoter areas of Ontario where the value of real estate was appreciably lower than it is in Sandwich-Riverside.

Mr. Chairman: I wonder if I could tell the minister—

Hon. Mr. Meen: Yes, I can wind this up in a minute, I think, Mr. Chairman. It follows, then, that the percentage figure, though arbitrary here, needs to be subject to some kind of regulatory basis, and I outline to the member for Sandwich-Riverside that I am contemplating a section in the regulations that would tailor the amount of profit to the actual demonstrable cost of renovations.

If a man demonstrated a $3,000 expenditure, say, he should be entitled to up to $3,000 free of speculation tax, over and above his actual expenditures. Above that again, he might well be subject to a tax. That would be an incentive to get on with the job to make a handy profit, like 100 per cent on his actual expenditures, but also not to make a killing, if I can use that expression, on the market when he resells that house.

Now that's what I am contemplating doing rather than trying to make an amendment in the Act which may be meaningful to some but would be less than helpful in some other areas.

Hon. Mr. Meen moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports progress and asks for leave to sit again.

Report agreed to.

Mr. R. F. Ruston (Essex-Kent): Not much progress.

Mr. R. F. Nixon (Leader of the Opposition): Two subsections? I guess that's progress.

Mr. J. E. Bullbrook (Sarnia): No, progress is not our most important product.

Mr. J. R. Breithaupt (Kitchener): It's the cost of the product.

Mr. Bullbrook: Yes, that's right.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, on Thursday we'll proceed with the consideration of this bill once again.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:34 o'clock, p.m.

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Motion to adjourn, Mr. Winkler, agreed to 2353

No. 56

Ontario

Legislature of Ontario Debates

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Thursday, May 23, 1974

Afternoon Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, MAY 23, 1974

The House met at 2 o'clock, p.m.

Prayers.

Mr. L. M. Reilly (Eglinton): Mr. Speaker, the Minister of Industry and Tourism (Mr. Bennett), will be in the House shortly, but meanwhile he asked me if I would introduce to the House the 65 students from Ecole Secondaire Bel Court in Ottawa, together with Mr. Nadeau and other escorts.

Hon. S. B. Handleman (Minister of Housing): Where is the member for Ottawa East (Mr. Roy)? They are from his riding.

Mr. J. E. Stokes (Thunder Bay): Mr. Speaker, it is my pleasure to introduce to the Legislature the 46 grade 7 and 8 students from Manitouwadge Public School, under the direction of Mr. James Bishop, Mrs. Carol Ross, Gail Conrad and Mike Voiture. I hope that members of the Legislature will welcome them and that the students enjoy their stay in Toronto.

Mr. E. W. Martel (Sudbury East): Mr. Speaker, it gives me a good deal of pleasure to welcome to the Legislature 40 students and five adults under the direction of Mr. Toppari, the principal, from Wanup Public School in the municipality of Wanapitei.

Mr. Speaker: Statements by the ministry.

ASSISTANCE FOR FLOOD VICTIMS

Hon. A. Grossman (Provincial Secretary for Resources Development): Mr. Speaker, following previous assistance in cases of natural disasters in this province, the government of Ontario will extend compensation to those people who have suffered losses from flood damage in southwestern Ontario during the past few days.

This compensation is provided under the disaster relief assistance programme, designed specifically to help people who suffer losses caused by disastrous storms or flooding. This assistance is available to residential property owners and owners of small businesses.

In order to qualify, a municipality first applies to the government to have that municipality declared a disaster relief area. Once this is done, the municipality establishes a committee to raise funds and settle claims. The government will then match such funds dollar for dollar.

However, Ontario is also asking the federal government to contribute equally so that the amount collected by the municipal fund-raising committee will be matched not only by the province but also by the government of Canada.

The provincial disaster relief assistance programme also provides guidelines for the equitable distribution of those moneys raised by the municipal committee and matched by the province.

Concerning the questions which have been raised regarding operation of the dams along the Grand River, my colleague the Minister of Natural Resources (Mr. Bernier) is arranging for a committee of review in the whole matter of the flooding, and this review will include operation of the dams along the Grand River.

Mr. E. Sargent (Grey-Bruce): The government will end up not giving five cents to the whole bunch.

Mr. I. Deans (Wentworth): Is that a public review?

LAND PURCHASES IN HALDIMAND-NORFOLK

Hon. J. White (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, I have now completed my review of proposals for our new community in Haldimand-Norfolk. The government has accepted my recommendation to acquire all of what has come to be known as the Townsend site in the Jarvis area. To do this, we have acquired all the property and offices held by the consortium, so-called, covering 10,740 acres. We will exercise these options by the end of the month and assume ownership of the entire site. The total cost of this acquisition will be about $22 million, which is much less than the estimated cost of acquiring a similar parcel of land on the Woodhouse site. The Townsend site will meet our planning objec-

tives for the region; and it was overwhelmingly supported just two weeks ago by the members of the council of the regional municipality of Haldimand-Norfolk as the preferred site for a new community.

I have also had the proposals made to us by the consortium examined by an independent chartered accounting firm and the Ministry of Government Services and its consultants. The agreement which has been reached is the result of some intensive negotiating over the past few weeks. It provides for us to take over and exercise all the options at their original cost; to purchase three farms now owned outright by the agents at the average per acre price of the property under option; and to pay a five per cent fee to cover all the assembly costs, including local real estate brokers' fees.

Mr. Speaker, we have reserved the right to pay the brokers' fees directly to the realtors in the area involved from the amounts due to the consortium under the agreement. We also have an undertaking that neither the members of the consortium nor any principals in this transaction have or will acquire, directly or indirectly, any property within two miles of the development site. In this connection, we will require some additional property to complete the site and I have asked the Minister of Government Services (Mr. Snow) to proceed immediately with this acquisition on a similar cost basis.

Meantime, development in the general area, and particularly in the area south of the site to Lake Erie, is controlled by minister's orders so that the interests of the government and the regional municipality will not be frustrated by any precipitous or incompatible development. The planning and development of the site and surrounding areas will be proceeded with using the provisions of the Ontario Planning and Development Act. The land being acquired by the government will be sold to the Ontario Land Corp. providing this Crown corporation is agreed to by the Legislature later this year.

DIAL-A-BUS

Hon. J. R. Rhodes (Minister of Transportation and Communications): Mr. Speaker, I should like to make a statement on the status of the GO dial-a-bus demonstration in Metropolitan Toronto and to announce proposed service revisions.

For a number of years transportation planners had recognized a general demand for a public transit system which was more personalized than the conventional, fixed route bus line. To serve this demand the government, through my ministry, developed what was probably the first actual experimental system utilizing the dial-a-bus principle. The location chosen for this original demonstration was the Bay Ridges area in Pickering township east of Toronto. Bay Ridges had no public transit system and it was felt that a direct service to the GO train at Pickering Station would greatly benefit the residents, many of whom commuted daily into Toronto. The demonstration was successful in providing a much-needed service and eventually its operation was taken over by the municipality.

The experience gained in this pioneer operation contributed greatly to our understanding of dial-a-bus possibilities and limitations. The ministry, in conjunction with municipalities, conducted numerous studies throughout the province and, where dial-a-bus seemed appropriate, assisted with the implementation of further experimental systems. In many cases, these experiments have been successful, and the operations are being continued as viable municipal transportation facilities in such places as Bramalea, Ottawa, Kingston, Stratford and Sault Ste. Marie.

In the Metro area there also existed public demand for this kind of personalized transit which seemed to be working so well in smaller cities. Since the dial-a-bus concept was new, its effectiveness and its public acceptance in densely populated urban areas were unknown. Service in such areas was appropriate, not only because of the local demand but because it provided a way for us to give effective advice to other large municipalities throughout the province in their attempts to come to grips with their public transit needs. Demonstration dial-a-bus projects were put into operation in three Metro areas: York Mills, Armour Heights and Downsview. These three areas were selected because they were representative of three distinct levels of household income, thus broadening the application of the results of the experiments.

The three areas have two things in common: There is a very heavy dependence on the private car for the daily work trip; and the street geometry and housing density make it impractical to provide close and convenient transit on fixed route systems. This government's policy is to encourage public transit, to woo drivers away from their private automobiles and to help provide mobility for people who are denied the use of private cars. Our three Metro project areas need improved transit on both these criteria.

Public use of the three experimental systems has been disappointing, although the York Mills service has been accepted to a much greater extent than the other two. Analysis of the results indicates that the dial-a-bus concept does not produce the desired results in metropolitan areas which are serviced by a grid of efficient fixed-route service.

The number of riders, particularly in Downsview and Armour Heights, does not justify the cost of supplying the service. Nor have the systems brought significant numbers of new riders to the regular TTC transit routes.

I have therefore decided on the following programme of revisions. One, to terminate the Downsview service, effective June 23, 1974. Two, to terminate the Armour Heights service, effective July 21, 1974.

Mr. S. Lewis (Scarborough West): That's certainly a revision.

Hon. Mr. Rhodes: Three, to eliminate Saturday service in the York Mills area, effective June 23. Weekday service in York Mills will be continued for at least a few more months to permit testing of modified service designed to attract more riders and to reduce operating costs. Four, service in the Willowdale area will not be inaugurated as was planned in the original proposal.

In terms of filling a definite public transit need, the Metro dial-a-bus experiment has been disappointing.

Mr. M. Shulman (High Park): Mildly.

Hon. Mr. Rhodes: As a research project, however, the experiment has been valuable, providing much-needed data which will be extremely helpful in our future transit developments.

Mr. D. C. MacDonald (York South): The patient died but the operation was successful.

Hon. Mr. Rhodes: Mr. Speaker, I would like to commend the TTC, the unions and the staff of my ministry for the co-operation and enthusiasm which they have displayed in this experiment to improve our public transit facilities.

Mr. R. F. Nixon (Leader of the Opposition): Nice epitaph.

Hon. Mr. Rhodes: I propose now to request the TTC to join with our MTC staff in exploring new ways to—

Mr. Lewis: Create another mobile nightmare.

Hon. Mr. Rhodes: —utilize the special small buses which have been developed for dial-a-bus service.

Mr. R. F. Nixon: They can't use those buses?

Hon. Mr. Rhodes: They are already being used in Mississauga and Oakville in other than dial-a-bus applications. Incidentally, the Ontario Transportation Development Corp. reports that sales and confirmed orders for these vehicles amount to about 100. Some of these have gone to the United States, and additional interest is being shown by several other jurisdictions south of the border.

Mr. Lewis: The whole thing is a nightmare.

Hon. Mr. Rhodes: OTDC is also in the advanced stage of design modifications which will give the bus capability to carry wheelchair and other handicapped passengers.

Mr. Lewis: What is the ministry going to do with the dial-a-bus?

Hon. Mr. Rhodes: I'm convinced that any reasonable concept to improve public transit should be explored, developed and tested. With this approach and with our assistance, the TTC will continue to be the most effective and innovative transit operator in north America.

Mr. R. F. Nixon: They are easier to get rid of than Krauss-Maffei.

Mr. Stokes: The operation was successful but the patient died.

Hon. Mr. Rhodes: I'm also determined that the province as a whole will continue in the forefront in the development of new and better transportation systems, a reputation which is recognized internationally.

Mr. Lewis: Maybe you could use the dial-a-bus to run at the CNE this summer.

Mr. Speaker: Order please.

Mr. W. Hodgson (York North): The member for Scarborough West doesn't like to hear that, does he?

Mr. Lewis: The whole thing was preposterous; the whole transportation concept was preposterous.

Mr. Speaker: Oral questions. The hon. Leader of the Opposition.

ASSISTANCE FOR FLOOD VICTIMS

Mr. R. F. Nixon: I would like to ask the policy secretary who made a statement with regard to payments in the flood areas if there will be no money paid to the people of those areas who suffered damage other than through the matching dollar formula which has been used in the past?

Hon. Mr. Grossman: I'm not too sure that I understand the member's question—what other money? I presume the person who is suffering doesn't care where the money comes from.

Mr. R. F. Nixon: Let me make it clear then. As a supplementary, is the minister not aware that the matching formula never comes anywhere near meeting the requirements of those people who have suffered the damage? Certainly it is a gesture—

Mr. Deans: That's all it is, a gesture.

Mr. R. F. Nixon: —but does the minister not agree that it is a formula to simply contain provincial payments to a level where in fact they will not be of as much use as they should be in an area where there is $10 million damage?

Mr. H. Worton (Wellington South): There is no new policy there.

Hon. Mr. Grossman: Mr. Speaker, I don't know where the hon. member gets the $10 million damage. That's right off the top of somebody's head.

Mr. R. F. Nixon: From the Brantford Expositor. Ask the member for Brantford (Mr. Beckett); he knows the Brantford Expositor is always right.

Hon. Mr. Grossman: I don't know where the hon. member gets the idea that the funds in the past haven't been sufficient. There have been substantial funds paid out.

Mr. Lewis: Come on, there were no disaster funds.

Mr. Deans: They are not sufficient.

Hon. Mr. Grossman: It depends on what one means by sufficient; I don't suppose any number is sufficient.

Mr. Speaker: Order.

Mr. Lewis: Your contribution becomes negligible; it is deliberately negligible.

Mr. R. F. Nixon: Another supplementary, if the Speaker will permit me. Can the minister assure that the hearings he's announced will be held in the flood communities themselves and that they will be open, so that those people who are concerned with this matter and who have had such serious losses themselves will be able to put forward their own opinions in this regard?

Hon. Mr. Grossman: Is the hon. member referring to the cause of some of the damage?

Mr. R. F. Nixon: The full review of the utilization of the dams.

Hon. Mr. Grossman: I would suggest he direct that question to my colleague, the Minister of Natural Resources.

Mr. R. F. Nixon: The provincial secretary made the statement, did he not?

Hon. Mr. Grossman: I made the statement that there would be a review carried out by the minister.

Mr. Deans: He doesn't know when it will be? Will it be public or private?

Hon. Mr. Grossman: As to whether the minister intends to have it as a public review I wouldn't suggest it.

Mr. Lewis: Is it public or private? Oh, it's a ministerial review.

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, if I may—

Hon. Mr. Grossman: Why doesn't the member wait until he gets the answer?

Hon. Mr. Bernier: —just qualify that a little further. Yes, we will be making a very in-depth study of the actions of the conservation authority. We will be reviewing all the data that they have compiled, and their reasons for certain actions. Once that report is given to me and we've had an opportunity to examine it, then we will decide at that time if we should have further public hearings.

Mr. R. F. Nixon: Then there will be no public hearings?

Mr. Lewis: Supplementary: What does the minister mean, further public hearings? I take it that this is an internal review conducted by the ministry of itself?

Hon. Mr. Bernier: No, Mr. Speaker, it's not. I would point out that the conservation authorities are an autonomous body. They operate outside our ministry and we are reviewing the actions that were taken by that authority.

Mr. R. F. Nixon: Supplementary: Would the minister agree that since there is this feeling in the community—reported to the House by the Premier (Mr. Davis) himself—that the conservation authorities may very well have administered their responsibilities inappropriately, anything less than a public hearing, where the people whose property was under water would have a chance to express their views, is simply going to be insufficient?

Hon. Mr. Bernier: Mr. Speaker, I certainly don't want to prejudge the actions of the conservation authority at this particular time.

Mr. Lewis: No. He wants to judge them, not prejudge them.

Hon. Mr. Bernier: I'd have to wait until the report and a review of their actions has been completed.

Mr. Deans: Supplementary: Doesn't the minister feel that to conduct a pre-inquiry jeopardizes the possibility of having an accurate and open discussion about the actions of the conservation authority? Doesn't the minister feel that the inquiry he is talking about should be conducted in public in order that the public can participate and can understand the information that he is seeking and the information upon which the conservation authority based its decisions?

Hon. Mr. Bernier: No, Mr. Speaker, I can't agree with that assumption by the hon. member. I think it is fair to say that we have to give the conservation authorities a fair opportunity to—

Mr. Deans: Then do it publicly.

Mr. Martel: It is a snow job.

Hon. Mr. Bernier: —lay it before our particular ministry and our experts, our engineers within the ministry. Once I've got that information, I'm prepared to judge what steps we take.

Mr. Lewis: The ministry can't be trusted.

Mr. Deans: To release what the minister happens to think is of consequence.

Hon. Mr. Bernier: It's local autonomy.

Mr. Lewis: Mr. Speaker, I'd like to ask a question of the Provincial Secretary for Resources Development on a previous point?

Mr. Speaker: I think since it is probably on the same topic, it will be in order.

Mr. Lewis: Does the provincial secretary not think this might be the time to abandon the government's present position on compensation in the case of natural disasters, which has proved so inadequate, to recognize that the communities affected can never themselves contribute enough, and therefore to give of the province sufficient to make up the losses?

Hon. Mr. Grossman: Mr. Speaker, again the hon. member is giving an opinion that it hasn't been sufficient in the past, and I suppose it's a value judgement as to what is sufficient.

Mr. Lewis: Yes, it is.

Mr. R. F. Nixon: No one but the Minister of Agriculture and Food (Mr. Stewart) thinks it is enough.

Hon. Mr. Grossman: In 1970, in the storm in Sudbury where substantial damage was caused by high winds, this government's share alone amounted to $335,000.

Mr. Lewis: Oh breathtaking, breathtaking.

Mr. Deans: Whole homes were blown away.

Hon. Mr. Grossman: If the hon. member suggests that we do what we can to make our assistance breathtaking, I don't know what he would consider breathtaking. If he'd send me his criteria for what is breathtaking—

Mr. Lewis: Full compensation for natural disaster without asking for a dollar. Let them raise what they can, but don't penalize them by pro-rating the grants.

Hon. Mr. Grossman: Should we go before the Management Board and see if we can take the Chairman's breath away?

Interjections by hon. members.

Mr. Speaker: Order, order.

Hon. Mr. Grossman: Is that what the member wants us to do?

Mr. Lewis: It would help.

Hon. Mr. Grossman: Or to provide substantial assistance?

Mr. MacDonald: The rhetoric filled the vacuum.

Mr. Speaker: The hon. Leader of the Opposition? The hon. member for Grey-Bruce, a supplementary.

Mr. Sargent: Would the minister not agree that accepting only one-third of the disaster

financing under this formula, as the member for Scarborough West said, is outdated? If only $50,000 is raised, then this government's commitment is only $50,000 and that's wrong in a disaster area.

Hon. Mr. Grossman: Mr. Speaker, in the first place, I don't know where the hon. member gets his mathematics. He must have got them from his leader, who is always in trouble with mathematics. We match dollar for dollar—

Interjections by hon. members.

Hon. Mr. Grossman: If we match dollar for dollar, even to me that sounds like 50 per cent.

Mr. Sargent: It is federal, provincial and local.

Hon. Mr. Grossman: We've invited the federal government—

Mr. Sargent: It's down to one-third now.

Hon. Mr. Grossman: If the federal government comes along, which we hope it will, it will be one third. The hon. member, I'm sure, has no objections if we involve the federal government, so the provincial taxpayers' costs won't be as high as they might normally be. There's nothing wrong with that, I'm sure. The suggestion that it won't cost us—how much did he say?

Mr. R. F. Nixon: It is a niggardly policy.

Mr. Sargent: He is just fooling the public, that's all he is doing.

Hon. Mr. Grossman: There have already been offers of assistance from some large contributors, which are going to the municipalities, of somewhat in excess of $100,000. That's just what I heard over the phone this morning—it will be a substantial figure. Now overall, I hope, really, it won't be a substantial figure, because I hope the astronomical figures used by the Leader of the Opposition will in fact not be so. But whatever the figures are, this formula will apply. This House can be sure that this government will make certain that no one suffers unduly because it is too high.

Mr. Lewis: Regardless of need.

Mr. Deans: Supplementary question, please.

Mr. MacDonald: The minister is not taking any steps to ensure that. They have to move locally before the government moves at all.

Mr. Deans: Is it the intention that the funds raised can be used to compensate for loss of furnishings and things other than damage to real property?

Hon. Mr. Grossman: Oh, yes.

Mr. Deans: How then are they going to determine the losses?

Hon. Mr. Grossman: This has been determined in past instances and will be determined now. There will be a committee set up by the municipality for the purpose of assessing the claims, as has been done in the past.

Mr. Deans: Will it include business losses, too?

Hon. Mr. Grossman: No, it doesn't include business losses.

Mr. R. F. Nixon: Supplementary, Mr. Speaker: Will the minister include those direct expenses by the municipalities during the flood and during the cleanup for equal dollar pay compensation? Or does it have to be contributed by someone else in the community?

Hon. Mr. Grossman: That has not been taken into consideration, Mr. Speaker. We are talking about losses to individuals, and any loss to an individual will be taken into consideration within this formula.

LAND PURCHASES IN HALDIMAND-NORFOLK

Mr. R. F. Nixon: I would like to ask the Treasurer, by way of arithmetic, if a five per cent fee on the $20 million plus acquisition will mean that the consortium will receive something in excess of $1 million for their trouble in assembling that land and holding it for the period of time.

Mr. Lewis: Not the consortium.

Hon. Mr. White: Well sir, for their trouble and very considerable cost they will receive five per cent of $20,219,291, which works out to $1,010,964.55.

Mr. R. F. Ruston (Essex-Kent): Quite a rip-off!

Hon. Mr. White: But I must point out to you that the expenses incurred by the consortium are approximately equal to this assembly commission.

Mr. R. F. Nixon: Can I ask the minister, as a supplementary, is the average figure upon

which these options are being acted upon by the government about $1,600 per acre?

Hon. Mr. White: No. It is $1,943 or $1,944.

Mr. Sargent: Supplementary: Would the minister advise, since the Ontario Land Corp. is coming into the picture here, when is this legislation coming to the House? Secondly, what portion will the private sector have in the Ontario Land Corp.?

Hon. Mr. White: We plan to introduce the legislation next fall, and those details will be revealed when the bill is introduced.

Mr. Lewis: Supplementary, if I may: Forgive my ignorance, but how does the minister add expenses of an amount of better than $1 million to take out options on tracts of land? How does the minister arrive at the $1 million plus, in expenses not costs?

Hon. Mr. White: The consortium has paid 2.5 per cent to the area brokers who have put this deal together for them. That is probably the largest single element. They have an obligation to pay a very substantial amount to a Mr. Cherkas. They have an obligation to pay a substantial fee to a planner whose name is Pearson. Clarkson Gordon were the accounting firm mentioned in my statement, and they have verified the expenses of the consortium in this assembly.

Mr. R. F. Nixon: Is there then no profit to the consortium whatsoever?

Hon. Mr. White: There is no profit to speak of. It is more or less a break-even proposition on the assembly, which is to say the five per cent commission we are paying to them is more or less equal to the expenses actually incurred in the assembly. They will have a profit on the 298 acres which we are buying directly from them which they own outright themselves. They acquired that for something over $800 per acre. We are paying them the average price of $1,943 or $1,944, so they will have a profit of several hundred thousand dollars on these three farms, less whatever administration, carrying charges, taxes and such like may have been incurred.

Mr. R. F. Nixon: Supplementary: Would it be true to say that if the options had lapsed the farmers who then would have had full title to renegotiate a sale, assuming that the minister's freeze order were going to be lifted, would probably expect a price considerably above the $1,800 to $1,900 average that is to be paid?

Hon. Mr. White: I can't predict that, but certainly looking at other government assemblies this has been the history of such operations, yes.

Mr. Lewis: A supplementary: Does the speculative land tax apply in this case to the acreage which you are purchasing from Cherkas Associates? Will they pay the tax? I take it they will.

Hon. Mr. White: The option prices were established in October, 1973, which is to say many months before the effective date of the land spec tax. Whatever provisions are included in the land spec tax, with the exception of the effective date as this bill is passed by the Legislature, would not have any effect on the transaction. As I say, the prices were established months before April 10.

TORONTO ISLAND AIRPORT

Mr. R. F. Nixon: I would like to ask the Minister of Transportation and Communications if he can confirm to the House that the committee established under his aegis, including representation from Metropolitan Toronto and other interested groups in Toronto dealing with airport transportation facilities at the harbour level is meeting regularly and secretly—at least it does not have open meetings in the ministry—and that it has been presented with a programme which would call for the establishment of the present island airport as a STOL airport and the development of a new airport in the island community on the spur of land at the foot of Leslie St.—which has been designated for park purposes—which would take over the present island airport duties? Is that the main technical recommendation the committee faces? Does the minister support that recommendation?

Hon. Mr. Rhodes: Mr. Speaker, the committee has been meeting regularly. It is a committee made up of staff, with the exception of appointees which have been appointed from municipalities within Metro. They have not been meeting publicly. They have been discussing in detail the technical aspects of developing a study of the airport possibilities in this area. I have not received the final recommendation, or indeed even an interim recommendation at this time from that committee, so I cannot answer the latter part of the question put by the Leader of the Opposition.

Mr. R. F. Nixon: A supplementary: Does the minister mean to indicate he is unaware

of the recommendation to put two airport facilities in the harbour area? Is he not further aware that if this committee makes such a recommendation, it would be tantamount to a recommendation for this facility to be built without involving the community or without hearing from the ministerial experts as far as transportation impact or environmental impact studies—which may or may not have been completed—are concerned?

Hon. Mr. Rhodes: Mr. Speaker, I am aware this sort of consideration has been given by the committee, but I repeat I have not received a specific recommendation or report from that committee. I am aware there have been discussions along the lines the member has referred to, but I do not wish to discuss that until I have received the actual report.

Mrs. M. Campbell (St. George): Mr. Speaker, I wonder if the minister is not aware of the fact that the Board of Trade has representation on this committee? How does that constitute, together with the two aldermen, a technical committee? Why is the Board of Trade the only group presumed to have some interest in this whole plan?

Hon. Mr. Rhodes: Mr. Speaker, I don't believe we have indicated that the Board of Trade or any other particular body is the only body which would have interest in this plan. As I said earlier, the committee was established to be a committee of staff and it was recommended and suggested that there be appointments from the various interested political groups within the area of Metro. If Metropolitan Toronto or any borough or the city of Toronto wishes to appoint an elected representative, I feel it's their right to do so. But as far as representation from the Board of Trade is concerned and how they were appointed to that committee, I am afraid I can't answer the member. The appointments we have made from our ministry have been of technically competent staff to do the study. The other people have been appointed by other bodies.

Mr. P. G. Givens (York-Forest Hill): A supplementary: Is it the minister's intention, if he establishes two STOL airports—one on the island and one on the spit—to eliminate the necessity of having a second international airport in Pickering?

Hon. Mr. Rhodes: Mr. Speaker, I am sure the member for York-Forest Hill is being facetious. He knows full well that no STOL airport, whether it is developed on the island or elsewhere, will replace the need for a second airport. I would leave that final decision to the federal Ministry of Transport to make. I cannot say it is even determined there will be the development of one or two STOL airports in this immediate vicinity.

Mr. Lewis: We have talked about it for years. It will be interesting to see what is solved.

Mr. Sargent: A supplementary: Is the minister aware—he probably is—that every major city in North America would give anything to have that island airport? What is the policy of the government? Is it for it or against it?

An hon. member: That is a good question.

Hon. Mr. Rhodes: Mr. Speaker, I can assure the member that I am for airports.

Mr. Sargent: Is that government policy?

Hon. Mr. Rhodes: That's my policy.

Hon. Mr. Grossman: And I'm for the Islands.

Mr. Sargent: What is the government policy on it?

Hon. Mr. Rhodes: Mr. Speaker, the government policy on that particular airport will be determined once the report from the committee has been made available. When we've had a chance to study their recommendations, then we will determine the policy.

An hon. member: By that time you'll be out of government.

Hon. Mr. Rhodes: I want to assure the hon. member that he will still be free to land his private aircraft on Toronto Island for a while to come.

Mr. Speaker: The hon. Leader of the Opposition.

LEAD HAZARD FROM ELECTRIC KETTLES

Mr. R. F. Nixon: I'd like to ask the Minister of Health if he can clear up the great electric kettle business by informing the medical officer of health for Toronto that he has not only the authority but the responsibility to release the specific names of the kettles and the level at which the lead pollution is liable to impinge on anybody using the water out of them?

Interjection by an hon. member.

Mr. J. R. Breithaupt (Kitchener): Is it true the minister has metal in his kettle?

Hon. F. S. Miller (Minister of Health): What do I have?

Mr. T. P. Reid (Rainy River): Get the lead out!

Hon. Mr. Miller: Oh, get the lead out. They were checking me for something like that yesterday but they didn't find it.

Mr. Lewis: They can't run a test like that.

Mr. Reid: Looking for a spot for a brain transplant?

Hon. Mr. Miller: Well, they wanted to have some absolute zero to start with.

An hon. member: They picked the right one.

Mr. Reid: They wanted to see if a politician's brain was larger.

Hon. Mr. Miller: Or smaller, I'm not sure which.

Mr. Lewis: Will the minister answer the question!

An hon. member: Why doesn't the minister answer the question?

An hon. member: Relax.

Hon. Mr. Miller: I don't think the question of the release of the names of the kettles is properly within my jurisdiction. I do have the list of the names; I do know which kettles are in fact acceptable. I do fully agree though, with the federal minister's statement that he would recommend that the use of electric kettles be curtailed during this period of time while we complete some tests.

Mr. Stokes: Doesn't the minister think the public have the right to know?

Mr. R. F. Nixon: A supplementary: Wouldn't the minister agree that if he's got the list in front of him, he'd better read it to the Legislature now? Why not?

An hon. member: Now!

Mr. R. F. Nixon: We're thinking about the health of the people.

Hon. Mr. Miller: Mr. Speaker, I have to get some advice on this particular issue before I do that.

Interjections by hon. members.

Mr. Lewis: A supplementary.

Mr. R. F. Nixon: The minister is completely—

Mr. Speaker: The hon. member for Scarborough West.

Interjections by hon. members.

Mr. Lewis: I want to know on what grounds the medical officer of health in Toronto, this Minister of Health and the federal minister, Herb Gray, all maintain a conspiracy of silence while the public waits with considerable apprehension and the testing is done? Now why can't the minister give us those names now?

Mr. Stokes: He has the information before him!

Mr. Lewis: What's wrong with those people?

Mr. Sargent: He'll be in hot water if he doesn't!

Hon. Mr. Miller: At this point in time I would like to ensure that the tests were fairly done—they're being done by the Ministry of the Environment, so I'm sure they're fairly done—but I want to ensure—

Mr. Reid: We will all be dead by the time we get a report.

Interjections by hon. members.

Hon. Mr. Miller: —that they are reproducable and that they are meaningful.

Mr. Speaker: A supplementary? Yes. The hon. member for Sandwich-Riverside.

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, a supplementary: Inasmuch as one of the companies announced that it had discontinued the practice of lead soldering about two years ago, can the minister tell us why it discontinued this practice? Was it because of this very reason—that the lead was escaping?

Hon. Mr. Miller: I am told that all manufacturers have discontinued using lead at this point in time. One of the things we have to do is determine how old some of the kettles are that are currently emitting lead, and whether the new ones in fact are doing it.

Mr. Lewis: While the minister is determining, we will be perking.

Mr. Burr: On that basis, is the minister going to recall the old kettles?

Mr. Lewis: Recall the old kettles?

Interjections by hon. members.

Hon. W. A. Stewart (Minister of Agriculture and Food): Make them into windmills.

Mr. Lewis: Melt them down and use them for an energy source!

Mr. Speaker: Is there an answer to the last question? I'd be interested in hearing it.

An hon. member: Why don't you make them into windmills?

Mr. Speaker: The hon. member for Port Arthur.

Interjections by hon. members.

An hon. member: Let's hear the answer.

Mr. J. F. Foulds (Port Arthur): A supplementary, Mr. Speaker: Did I not hear the minister say that he has a list of the acceptable kettles? What damage can be done by relating to the public the names of those kettles that are acceptable? He will do no damage to the public and no damage to those companies.

Hon. Mr. Miller: I think by deduction one would have the kettles that were deemed to be not acceptable.

Interjections by hon. members.

Mr. Lewis: The public has a right to know!

Mr. Breithaupt: Mr. Speaker—

Mr. MacDonald: The public welfare, as usual, gets second consideration.

Mr. Lewis: I have a feeling this is a tempest in a—

Mr. Breithaupt: —in a tea kettle. Did the minister have the list of manufacturers that is before him developed from a series of tests which have already been done with respect to this particular problem? How was the list of names made up in the first place?

Hon. Mr. Miller: Mr. Speaker, with great respect, I'd like to pass that question along to my friend from the Ministry of the Environment whose ministry in fact did the tests.

Mr. Breithaupt: I will be happy to pass that on to the minister.

Mr. Speaker: I must point out that more than half of the question period has now expired.

Interjections by hon. members.

Mr. Speaker: The hon. member for Scarborough West must ask questions, too. The hon. minister may respond if he wishes.

Hon. W. Newman (Minister of the Environment): What was that question again?

Mr. Breithaupt: On what basis was the list of names made up? Was it done from tests which have already been made by the ministry? And were some manufacturers thereby excluded?

Hon. W. Newman: The MOH for the city of Toronto asked us to do some testing on kettles. There were only nine kettles tested at that time. They were brought from various staff members' homes and were kettles of various ages. We have different readings of parts per million in water.

Mr. Lewis: Very scientific.

Hon. W. Newman: Yes, very scientific.

Mr. Lewis: Certainly it wasn't what one could call a scientific test.

Hon. W. Newman: We were saving the taxpayers money. We did some preliminary testing, and because we haven't done any great, extensive testing, we don't want to release the names of the nine kettle companies that we have dealt with at this point in time.

Mr. Lewis: What one has the minister stopped using?

Hon. W. Newman: I am still using mine.

Mr. Speaker: Does the hon. Leader of the Opposition have further questions? The hon. member for Scarborough West is next.

ASBESTOSIS

Mr. Lewis: Very quickly then, Mr. Speaker, I have a question of the Minister of Health.

Is the minister launching any specific inquiry into the prevalence of asbestosis in the Johns-Manville plant and the very serious disabilities, and indeed deaths, flowing from difficulties in the asbestos industry, as evidenced in the reply which was given to my colleague, the member for Sandwich-River-

side by one of the ministries, Health or Environment?

Mr. J. A. Renwick (Riverdale): Both are equally confused.

Hon. Mr. Miller: We have been carrying out a fairly intensive series of tests on asbestosis. I have some data which I can read to the member, or make available to him, on the types of asbestos and their effects upon health. There apparently is some variation in the ores and their effects on health, the size of the particles and so on. We are attempting to find what variables affect human health under current conditions. I have this available and I will be pleased to make it available to the member.

Mr. Lewis: Thank you. By way of supplementary, is the minister leading to a new set of standards which would then be imposed on the industry? Is that part of the examination?

Hon. Mr. Miller: It would be our overall objective, I am sure.

Mr. Lewis: Has the minister given himself a timetable, since it is pretty critical at this stage?

Hon. Mr. Miller: I agree it is critical. Yet, as the member knows, timetables involving the relationship between an occupational hazard and health are not easy to live by.

Mr. Renwick: Particularly when there is an industrial interest involved.

Hon. Mr. Miller: I don't accept that comment. We are doing our very level best to find the cause and relationship between these in order to protect the workers in a meaningful way.

Mr. Renwick: The ministry is operating in a vacuum.

Interjections by hon. members.

Hon. Mr. Grossman: Does the member think we are all dying in a hurry?

Mr. Lewis: In the case of lead, uranium and asbestos, one can't play around with it.

Mr. Renwick: The ministry doesn't know what is causing the problem.

Mr. Lewis: During 1971 and 1972, according to the ministry's reply, there were six deaths recorded from it. Does that strike the provincial secretary as comic?

Hon. Mr. Grossman: It strikes me as serious.

CLOSING OF PELHAM SECONDARY SCHOOL

Mr. Lewis: May I ask the Minister of Education if the Lincoln school board and the Niagara South school board are able to agree on certain boundary changes in order to provide for the Pelham school to continue to exist, would it be his ministry's intention to accede to those changes?

Hon. T. L. Wells (Minister of Education): Mr. Speaker, I would have to hear the presentations from the two school boards before I could really give a definitive answer on that.

Mr. Lewis: By way of supplementary, might it be possible for the minister to encourage the boards to make their presentation to him within the next two weeks so that a decision could be made before the axe falls at the end of the year, as is now intended?

Hon. Mr. Wells: Sir, I think my friend knows that I spoke to the Lincoln board a couple of weeks ago and we discussed the problem. They indicated to me during our discussions that they would be meeting a delegation from West Lincoln township, which appeared before that board last week. As a result of that appearance, a committee of the Lincoln board has written the Niagara South board to ask for a meeting. To date, I haven't any answer as to whether the Niagara South board has agreed to a meeting or not, we are waiting for that answer. But the process is on, it is up to the Niagara South board to agree to the meeting. If they do, the outcome of that meeting will then obviously be put before me.

Mr. R. F. Nixon: Supplementary: I wonder if the minister would consider using his office and good offices for such a meeting and ask the representatives to come and confer with him, so that if it is agreeable to change that boundary line permitting the school to continue there will be no delay while the information is transmitted from one level to the other? In fact, the minister can show some initiative in this regard.

Hon. Mr. Wells: I find that question rather surprising, Mr. Speaker. My hon. friend is always talking about autonomy at the local level, and yet at every instance he wants me to put my heavy hand on these boards.

Mr. R. F. Nixon: It has nothing to do with that.

Hon. Mr. Wells: I have already used my good offices, and the good offices of the Pre-

mier of this province have been used to gain special hearings for the people in the Pelham area with the Niagara South board. And, I might tell my hon. friend, much to the displeasure of the Niagara South board, who feel they can very adequately handle this matter themselves. They were elected by the people to handle it; they feel they can handle it.

Interjections by hon. members.

Mr. R. F. Nixon: Supplementary: Would the minister not agree that if the agreement is arrived at to change the boundaries, as has been indicated by the hon. member who asked the question, and there is such a delay that in fact the school closes anyway, then the minister has been shirking his responsibility?

Hon. Mr. Wells: If my friend, sir, would listen, I said the Lincoln county board had approached the Niagara South board for a meeting. Whether that meeting is held or not is now up to the Niagara South board. The Niagara South board and I have talked about this matter; we have talked about it with the Pelham people; and we have held meetings about it. I think it is now incumbent upon these two responsible bodies to get together and do something about it. If they ask us to be part of it we'll certainly facilitate that; but otherwise I think the matter rests in their hands.

Mr. R. Haggerty (Welland South): Supplementary, Mr. Speaker: May I direct a question to the Minister of Education? Why did he allow the change in the boundaries in the first place? What they are suggesting now is to go back to the original boundaries, which would take West Lincoln into the town of Pelham. Why did the minister allow the change in the boundaries in the first place?

Hon. Mr. Wells: Of course, sir, I wasn't the Minister of Education at the time those boundaries were established. It is my understanding they were the boundaries that were established at the time regional government was instituted in that area. I assume they were agreed to by the people concerned, the Lincoln county board and the Niagara South board.

Mr. Speaker: The hon. member for Scarborough West.

Mr. Lewis: I don't think I should

Mr. Speaker: Does the hon. member have no further questions?

Mr. Haggerty: No.

Mr. Speaker: All right, the hon. the provincial Treasurer has the answer to a question asked previously.

NAKINA IMPROVEMENT DISTRICT

Hon. Mr. White: Yes, Mr. Speaker, on Tuesday the member for Thunder Bay asked a question concerning the status of the application of the improvement district board of Nakina in its quest for erection into an open community by way of a township rather than having a closed community, and so on; and the answer is as follows:

As part of the amendments to the Municipal Act, the government is considering a proposal to amend section 11 of the Municipal Act to permit improvement districts to be erected into township municipalities when they have attained a minimum population of 500. At present an improvement district must meet the ordinary population minimum of 1,000 population for a change of the township status. This would facilitate consideration of the application by Nakina which is now before the Ontario Municipal Board. Nakina now has a population of 621. It is expected that the application will be considered by the board in the usual fashion once the Municipal Act amendment receives assent by the Legislature.

Although the improvement district form of organization is a useful means of accommodating new development in sparsely populated areas of the north, there is concern that an appointed board of trustees is not a suitable form of government for established communities that have the capacity to sustain elected, local self-government. Under the proposed legislation, northern communities would have the opportunity to establish local community councils, which would be responsible for fire protection, water, roads and similar services. This proposal is part of our effort to improve conditions and services in the north, as announced earlier this year in the Speech from the Throne.

I might add that my colleague, the Minister without Portfolio (Mr. Irvine) will be meeting with the delegation from the association of unorganized communities to discuss this proposed legislation on June 13.

And, sir, I have a very short answer to a question asked by the member for Windsor-Walkerville—

Mr. Stokes: May I ask a supplementary to that?

Mr. Speaker: A supplementary would be in order, yes.

Mr. Stokes: Since there is precedent for amendments to section 11 of the Municipal Act to provide for communities that are improvement district boards with less than 1,000 population to seek erection into a township—there is ample precedent—why is the minister so long in bringing in legislative authority for that move?

Hon. Mr. White: Well sir, I don't know. The matter came to my attention some months ago. It sounded pretty sensible to me and we have been acting on its as quickly as possible from that day to this.

I would like to get the views of the Association of Unorganized Communities before proceeding further. That meeting is coming up in a couple of weeks, so I would expect to have an amendment available very soon. It seems to me it would be more orderly to proceed under such an amendment than to make an exception to the existing section 11.

Mr. F. Laughren (Nickel Belt): Supplementary, Mr. Speaker: Is it the intention of the minister to invite the members of the Legislature who have many unorganized communities in their ridings to that meeting?

Hon. Mr. White: I would welcome that, Mr. Speaker. I will ask my colleague, the Minister without Portfolio, to circularize the affected members giving the time and place of that June 13 meeting.

MUNICIPAL BUDGET CONSTRAINTS

Hon. Mr. White: Sir, just one short answer to the member for Windsor-Walkerville, who inquired about provincial grants to Windsor. In 1973 they amounted to $4,985,000 and this year's total is expected to be $5,811,000. I think it is interesting to see that Windsor held its expenditure growth increase in 1973 to five per cent—very much, I suggest, to the credit of Mayor Frank Wansbrough and his council.

Mr. B. Newman (Windsor-Walkerville): Supplementary.

Mr. Speaker: Supplementary, yes.

Mr. B. Newman: Is the minister aware that the community is involved heavily in environmental projects and—

Mr. Speaker: Order please. Was it the question of the hon. member for Sandwich-Riverside originally?

Mr. Lewis: Of course.

Mr. Speaker: Well, I'm sorry then. If it was his original question he may ask the first supplementary. I'll come back to the hon. member for Windsor-Walkerville.

Mr. Burr: Mr. Speaker, although I've lived most of my life in Windsor-Walkerville, I represent Sandwich-Riverside, so the mistake is understandable on the part of the minister.

Mr. Breithaupt. It is understandable.

Mr. Burr: Is the minister aware that until annexation about eight years ago, the city of Windsor I think had a complete sewage system, but because of the annxed areas Windsor now has a large area that is living with septic tanks? The Minister of the Environment, rightly so, has asked us to put in the sanitary sewers and storm sewers. This creates a peculiar problem for Windsor, and that is the problem I was drawing to the minister's attention on Tuesday. That's why I asked him to review it.

Hon. Mr. White: Well sir, I don't want to be provocative, but the municipalities do want additional unconditional grants. We are going up by nearly $1 million. Whatever deficiencies continue to exist will be brought to our attention, no doubt, by Windsor. I suppose that if they were better represented in this Legislature I might be better informed in the matter. They haven't had really first-class representation since Ivan Thrasher was defeated.

Mr. MacDonald: The minister is certainly being provocative as well as inaccurate. The people of Windsor saw through his people a long time ago.

Mr. Speaker: The hon. member for Windsor-Walkerville.

Mr. B. Newman: Mr. Speaker, a supplementary of the minister—

Interjections by hon. members.

An hon. member: The Tories will never get in again down there.

Mr. Speaker: Order please.

Mr. B. Newman: With the attitude that the minister just took, Mr. Speaker, there will never be representation.

Mr. Breithaupt: Provincially or federally.

Mr. Ruston: They will never get any in the next 10 years, that's for sure. The Tories are all going down the river there.

Mr. R. F. Nixon: Why doesn't the minister go down and run Windsor and show us how it's done?

Mr. Speaker: Order.

Mr. B. Newman: Is the minister aware, because of the additional burden to provide sewage treatment and other facilities as a result of the request from the Minister of the Environment, that the city is adversely affected and cannot provide other needed facilities in the community, such as public works?

Hon. Mr. White: Sir, I just am not going to accept that proposition. When one sees Windsor's growth in spending last year was five per cent, and Rockwood's was 29 per cent, and Welland's was nine per cent, and West Lorne's was 24 per cent, I suppose if these works are badly needed and the expenditures acceptable to the people of Windsor, they've got the resources to go ahead and do it.

Mr. Speaker: Supplementary? The hon. member for York-Forest Hill is next.

SPADINA EXPRESSWAY

Mr. Givens: I wanted to ask the Minister of Transportation and Communications whether in light of the very dismal report he made earlier on the failure of the dial-a-bus system, and in light of the fact that it will be many years until there is any relief in sight, whether he would consider paving immediately the Davis ditch from Highway 400 to Eglinton in order to immediately relieve the horrible traffic congestion that is rampant in that part of Metropolitan Toronto?

Mr. Lewis: It is hard for congestion to be rampant.

Hon. Mr. Rhodes: No. Mr. Speaker.

Mr. Givens: He'll change his mind.

Mr. Speaker: The hon. member for Port Arthur.

STRIKE AT FORT FRANCES CLINIC

Mr. Foulds: Thank you, Mr. Speaker. A question of the Minister of Labour, although I hate to interrupt his present political reverie. A question about the strike in Fort Frances between CUPE Local 795 and the doctors' clinic: Can the Minister of Labour tell me if any mediation meetings have taken place between CUPE Local 795 and the management of the private doctors' clinic in Fort Frances?

Hon. F. Guindon (Minister of Labour): Mr. Speaker, the only thing I know about this particular case is that a meeting has been called for Wednesday, May 29. That's the latest—

Mr. Foulds: Can the minister tell me if that meeting took place and where it took place? Can he tell me why it took his mediator so long to arrange such a meeting when the minister informed this House that a meeting would take place on May 13 or 14?

Hon. Mr. Guindon: Mr. Speaker, if my memory serves me well I understand some of the negotiators, particularly on the union side, were attending a very important conference. That, I think, was the reason.

Mr. Foulds: Mr. Speaker, is the minister not aware that the chief negotiator for the union has been in Fort Frances and has stated publicly that he would meet any time, any place, and that the meeting has failed to take place because the doctors have obstructed it?

Hon. Mr. Guindon: I would be happy, Mr. Speaker, to get further details and to convey the message to my friend.

Mr. Lewis: While he is still minister.

Mr. Ruston: When is he going to Ottawa?

Mr. Speaker: The member for Huron is next.

Mr. J. Riddell (Huron): Thank you, Mr. Speaker.

Mr. Renwick: He should stay here and go down in glorious defeat.

Mr. Speaker: Order.

SOLANDT COMMISSION REPORT

Mr. Riddell: A question of the Provincial Secretary for Resources Development, if I could, please. In light of the fact that many people are greatly concerned over the loss of their homes and land as a result of the proposed Hydro route from Nanticoke to Pickering and because Dr. Solandt himself has said he anticipates about 50 homes will be taken along the 100-mile east-west corridor—and

that's one home every two miles according to good Liberal mathematics—has the minister yet decided, as he stated he would some time after May 10, whether the government will accept Dr. Solandt's recommendation for expropriation without going through the requirement for a hearing of necessity?

Hon. D. R. Timbrell (Minister without Portfolio): The member read that very well.

Hon. Mr. Grossman: Mr. Speaker, just as soon as the government arrives at its decision, it will be made apparent to this Legislature.

Mr. Riddell: Can the minister tell me at this time whether there are any changes in Dr. Solandt's recommended route which reflect areas of major public concern about the proposed route?

Hon. Mr. Grossman: Mr. Speaker, the member is attempting to get me to tell him in advance what changes there may be, and if there are any.

Mr. Lewis: Shocking.

Mr. Ruston: Nobody else but this minister—

Interjections by hon. members.

Mr. Lewis: The provincial secretary is too smart for that. He wouldn't let them do that to him.

Hon. Mr. Grossman: Of course I am.

Mr. Speaker: Order, please.

Hon. Mr. Grossman: Mr. Speaker, the matter has received a tremendous amount of study by the government, particularly by the cabinet committee on resources development. Its recommendation has gone forward and a decision will be made very shortly. The member will, I am sure, be satisfied that all the consideration any reasonable person would expect a reasonable government to give to these very difficult matters has been given and he will be one of the first to know about it if he is in the House on that occasion.

Mr. Riddell: I will be here.

Mr. Speaker: The member for Thunder Bay.

DREE PROGRAMME IN NORTHWESTERN ONTARIO

Mr. Stokes: Thank you. I have a question of the provincial Treasurer. When will the announcement be made jointly by the federal and provincial governments with regard to the provisions of the DREE programme in northwestern Ontario? What criteria is he going to use to assure that the places in northern Ontario which need it badly will have some good effect from it?

Hon. Mr. White: Sir, the most recent information is that May 31 is convenient for Mr. Andras, but we are pledged not to reveal the details of this agreement until that time.

Hon. Mr. Rhodes: Pierre wants to fly in.

Mr. Foulds: A supplementary: I wonder why is it necessary for the announcement to coincide with Mr. Andras's calendar, since Mr. Andras is the Minister of Manpower and Immigration, and not the calendar of the Minister of Regional Economic Expansion, Don Jamieson, who is responsible for the agreement?

Mr. Lewis: Precisely, precisely.

Hon. Mr. White: He has been named, no doubt by federal order in council, as the signator for the federal government in this matter.

An hon. member: Why?

Hon. Mr. White: Why he would have been selected? I really couldn't say.

Mr. Foulds: Is the Treasurer going to work hand in glove with this pork barrel style of federal political campaigning by the Liberals?

Hon. Mr. White: We have no choice in the matter.

Mr. Speaker: The hon. member for Etobicoke.

PUP TRAILERS

Mr. L. A. Braithwaite (Etobicoke): Mr. Speaker, I have a question of the Minister of Transportation and Communications. Can the minister comment on newspaper and other media reports on the fact that a tractor-trailer driver was fined $24 in Orillia yesterday—

Mr. E. M. Havrot (Timiskaming): Louder.

Mr. Braithwaite: —as a result of an accident which occurred last August when a trailer broke loose—a pup trailer? And can the minister state when the culmination of the lengthy research which his department is doing on pup trailers will be brought to this House in the form of a report?

Hon. Mr. Rhodes: Mr. Speaker, the hon. member is in error and should not state that

it was a pup trailer, because it was not. A dump truck was involved and the dump truck was pulling a small, light trailer that is often used to carry a front end loader, which I believe is what this trailer has been used for.

The driver was fined and I have no comment to make on the amount of the fine other than to say that I am a bit surprised at how lenient it was, but that's a decision for the courts to make, not for me.

Secondly, the fine was for the trailer hitch—that is what the fine was for, as I understand it.

But I want to make it very clear at this point that it was not a pup trailer, as the member has referred to it, and I think the article points that out. The study is continuing in conjunction with the federal government. We are working very closely with them to come up with what we hope will be a reasonable solution to what is developing as a problem.

Mr. Braithwaite: A supplementary: The minister no doubt is aware there are large pups and small pups—

Mr. Speaker: The question period has now expired.

Petitions.

Presenting reports.

Interjections by hon. members.

Hon. J. W. Snow (Minister of Government Services): Mr. Speaker, if the hon. member from Owen Sound would remain for a moment—during the discussion of my estimates, certain information was requested by the hon. member regarding leases on office space and other facilities entered into by my ministry. I promised to give the hon. member additional information. Today I would like to table, Mr. Speaker, a printout by the computer giving fairly detailed information on 1,147 leases which are in effect.

Mr. Sargent: Mr. Speaker, I want to thank the minister very much. I didn't think it would happen. Thank you.

Hon. Mr. Snow: Mr. Speaker, I would point out the hon. member wanted that information and bet me that he wouldn't have it by June 1; I'd like to put it on record that it was tabled on May 23.

Mr. Sargent: He beat the House.

Mr. Lewis: For money he'll do anything.

Mr. Sargent: I'll buy him a new hat.

Mr. Speaker: Presenting reports; any further reports?

Hon. Mr. Rhodes: Mr. Speaker, I am pleased to submit the Ministry of Transportation and Communications annual report for the fiscal year ending March 31, 1973.

Mr. Speaker: Motions.

Introduction of bills.

Orders of the day.

Clerk of the House: The second order, House in committee of the whole.

LAND SPECULATION TAX ACT
(continued)

Mr. Chairman: In the discussion of Bill 25, the last matter under discussion was an amendment proposed by Mr. Burr, I believe. Is there any further discussion on that?

Mr. R. F. Nixon (Leader of the Opposition): I would like to ask the minister if he would not now be prepared to either give some consideration to an amendment or suggest there might be some improvement that he himself could make in clause (g), because it is well known that the improvement on renovations—which is a part of the government programme, I believe announced a few months ago by the new Minister of Housing (Mr. Handleman)—is one that should never be underestimated. The concept that all housing has to be new is, of course, an erroneous one, in that dollars invested in the refurbishing or the renovation of older homes is often what saves smaller communities and makes available some of the finer homes in major urban areas.

The concept of that 20 per cent limit, as the minister is well aware, is going to lead this renovation into an area which becomes prohibitive. In other words, in order to be exempt from the tax, as I understand it, the renovator will have to invest such a substantial amount of money that the renovated older home would be, I think someone said equipped with air conditioning and so on, which is surely not in the best interests of simply putting good, renovated, old homes back on the housing market. It seems to me the provisions as they presently are in the bill will mitigate directly against that and will mean that the renovated older homes will be only among those very high-costing homes and available to a limited number of people in the community, or else renovation

itself will become economically unsound. I would hope the minister would consider an alternative other than the one that is before us.

Mr. J. R. Breithaupt (Kitchener): Mr. Chairman, I too would like to comment briefly on that particular matter. We have seen, particularly in the downtown parts of Toronto, various areas which have been renovated and made extremely handsome by the changes that have resulted. However, they have, of course, resulted further in displacing persons who had been living in those homes when they were more reasonable and cheaper accommodation, and they have resulted in their replacement by various people who have sufficient funds to allow themselves the luxury of downtown accommodation when it is substantially changed and improved upon.

As my leader has mentioned, if the renovation costs are such that they will have to be extreme in order to come up with the percentage amount that is set out here, then surely we are going against the basic principle involved in trying to renovate homes in the downtown part of our communities in many cases, especially homes which will then be available to persons of limited or modest means of income.

I think this is an amendment which is certainly worthy of consideration and I would hope the minister would consider it.

Mr. Chairman: The hon. member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman, surely the section—and I think the minister has gone some distance to asserting this and affirming it—surely the section is counter-productive, along the lines of the argumentation here today, particularly as you have admitted a real basis of differential between smaller communities and communities that are not so small, places like Windsor and the metropolitan areas. Even if it were conceded that a 20 per cent renovation figure in metropolitan regions was somehow feasible, over against that in these other areas you are really acting as a clog in the equity to a very serious extent. Your government has of recent date—through the minister who sits slightly on your right—announced a whole series of NIP programmes, RAP programmes and a new programme on house improvement and renovation in designated districts, and outside those districts, in an endeavour to improve the land. If a man has to spend 20 per cent, that money might have been spread over a larger number of homes. He has to plunge all his capital, or a goodly portion of it, into a single improvement. Surely again, in social terms if not in economic terms, that is counter-productive too? Can't you give consideration to revising those figures, at least for the time being?

They say: "Yes, we'll consider this in our regulations." By the time we are finished, there is going to be infinitely more in the regulations than in the bill, despite all your amendments and the way the bill gets bloated in the process of passing through this House. If that was your purpose, we again find that unpalatable; that you should place a matter of such substantive worth in terms of regulations where they are largely hidden away, rather than in terms of the Act itself.

We know how primitive, primeval and rudimentary this legislation really is, but surely it can be bolstered right in front of us today sufficiently to give cognizance to these basic requirements and these exigencies of home improvement throughout the province—which you yourself have acknowledged—but because of the nature of the wording, you are unable to give any effect to as things presently stand.

Mr. Chairman: The member for High Park.

Mr. M. Shulman (High Park): I'm not rising to support or criticize the amendment, I'm just trying to understand what is going on here; which is a little difficult for me. Perhaps the minister can enlighten me?

If I buy property which contains a building or a structure and that building or structure is worth, say $10,000, am I to understand that if I put in $2,000 worth of improvements, there is no tax payable once I sell that—provided that building is worth 40 percent of the land? Is that exactly what this section means?

Hon. A. K. Meen (Minister of Revenue): To answer the hon. member for High Park, Mr. Chairman; first of all, no, I don't think it is quite what the section means.

Mr. Shulman: What the hell does it mean?

Hon. Mr. Meen: What we are saying is that if your purchase price is $10,000—and we are talking about land and building; we are not segregating—then into the building it would be necessary for you to put $2,000 worth of improvements before you would escape the land speculation tax on your resale for, say $15,000, $18,000, or whatever you got for the land and building. I don't think that is quite what the member for High Park was saying.

Mr. Shulman: Aren't you inviting fraud with this section? In effect you are saying that if a person owns such a property, he has to at least go through the appearance of making such an improvement. Isn't that what someone will do? By putting in 20 per cent in improvements, or pretended improvements or unnecessary improvements, or necessary improvements—to put on a new wing, if necessary—you can avoid 30 or 40 or 50 per cent in tax.

It strikes my mind that you are perhaps making a minor error; and perhaps the first one we've had cause to point out in this bill—minor, that is. Would the minister agree with me that this section is not, perhaps, inviting trouble?

Hon. Mr. Meen: Mr. Chairman, I would say the section is elementary in what we are trying to catch at this stage. I think we will be able to develop some sophistication on it with some experience. What we are trying to do here is to avoid the "white painters." These are people who come in and do nothing but just slick up the front of the building—maybe give it a sandblasting, perhaps fix up the front steps, rework the kitchen, and a few things of that sort—but provide a minimal amount of true improvements in the premises. Here in Toronto, I've been advised that the 20 per cent figure is a little on the low side rather than on the high side. Whereas the hon. member for Windsor-Walkerville—

Mr. F. A. Burr (Sandwich-Riverside): Sandwich-Riverside.

Hon. Mr. Meen: Sandwich-Riverside, thank you.

Mr. J. A. Renwick (Riverdale): He lives in Windsor-Walkerville.

Hon. Mr. Meen: He has indicated that in other areas of the province, as for example in Windsor, the 20 per cent figure may be on the high side.

What I might be able to work up at some time in the near future would be some schedule whereby the amount of profit might be related to the brevity of time the property is held by the person who improves it and to the amount of his demonstrable expenditures in making the improvements. Now whether all this sort of thing lends itself to fraud, as the member for High Park suggests, I really couldn't say. I think we are entitled to assume that the people who are in this business will abide by the law, will provide adequate, suitable and correct figures on their expenditures, and that they will give these as requested. Our own assessment people will be able to pin down the improvements and identify them, and will be able to establish what are legitimate improvements and determine whether the renovator has complied with the section as it stands.

As I indicated, and this is more in response to the member for Sandwich-Riverside, I think by regulation we can relieve against an undue tax burden arising in the cases which he drew to my attention on second reading. If I set the tax at a lower amount than the 20 per cent rate, I would not have authority under the regulations to exact a tax which, say based on some other schedule of improvements, worked out at more than 20 per cent. If I set it at a reasonably high figure, for example 20 per cent or 30 per cent or something like that, and work out a schedule which would apply to someone like the renovator as illustrated to me by the member for Sandwich-Riverside, we would be able to relieve against an undue tax burden which might accrue to him.

That is the course of action I would recommend we follow at this time rather than set an arbitrary figure again, of 10 per cent as suggested by the member for Sandwich-Riverside. It could wind up being inordinantly low and simply a licence to speculate when they are simply prepared to roll in a few dollars and figure that 10 per cent could be nothing more than a very modest improvement—enough to slick up the place with a coat of paint on everything and very minor improvements otherwise after which they recover their money, and presumably a handsome profit free of tax under those circumstances.

I don't think any of us want that. We're trying to get at the person who, you might say, is not a legitimate renovator. We want people to continue with their programmes of renovation. We don't want this rule to be counter-productive but we also want to see that the "white painter" does not continue to get away with the kind of speculative profits he's been able to get away with in the past.

Mr. Shulman: Mr. Speaker, I want to pursue this. I think the minister may not have thought this through. Let's take a specific example.

Mr. Renwick: He hasn't.

Mr. Shulman: Let's suppose you and I go into partnership today and we buy a specific property in the outskirts of Toronto for say $30,000—it would have to be quite a way out to buy it that cheaply. There's a

building on it worth $20,000. Let's suppose we're speculators, you and I, and we hold on for a period of some years and ultimately the property is worth $60,000. In other words, over a period of years it doubles.

If we go to sell at that time we're going to have to pay the 50 per cent speculative land tax, which will be 50 per cent of our profit or 50 per cent of $30,000. In other words, we would pay $15,000 in tax. We can avoid paying the tax completely if at that time we say: "Why give the government $15,000? Instead of this, let's renovate to the tune of 20 per cent of $20,000," which means we have to pay out $4,000—

Hon. Mr. Meen: No, 20 per cent of $30,000.

Mr. Shulman: All right, $6,000. We have to pay out $6,000 at that time to renovate. We don't have to paint but we can paint; we can add a fire escape; we can put in windows where there weren't windows and take out windows where there were windows—

An hon. member: And air conditioning.

Mr. Shulman: Air conditioning, great. We can renovate unnecessarily and foolishly to the tune of $6,000 which will save us $15,000 in tax.

Mr. Breithaupt: And a new buyer can tear the whole thing down.

Mr. Shulman: Well, then he'll get his 20 per cent. Does the minister not realize that in effect this section will mean you would have to be a certifiable idiot to pay that tax? All you're going to do is produce all sorts of make-work; in other words another inflationary pressure. It just doesn't make sense. Am I missing something? Is there a flaw in my thinking?

Hon. Mr. Meen: No, I think the member is touching on the point I made—we believe there should be a limit as well—

Mr. Shulman: But it isn't there.

Hon. Mr. Meen: —on the length of time within which this would occur.

Mr. Shulman: It's not there.

Hon. Mr. Meen: That's correct.

Mr. Shulman: If there's something which should be there but isn't there, shouldn't the minister perhaps stand this section down until he figures out a way to make it work? Obviously the way it is now, it's an invitation to fraud and legally it's quite proper; but it's an invitation to dilly the government. Isn't that the word? Dilly?

Hon. Mr. Meen: Diddle, you mean diddle.

Mr. Shulman: Diddle. It's an invitation to diddle the government, and anybody who didn't do it would be a damn fool. Surely if the section isn't going to work the way it is and if you yourself recognize something's got to be done about it, stand it down and we'll go to the next section; we'll come back to this when you have figured out a proper way to do it. If it goes through as it is, it is just one more joke in this series of jokes in this bill. Will the minister follow my suggestion?

Hon. Mr. Meen: No, Mr. Chairman.

Mr. Shulman: I didn't think so.

Mr. Chairman: The member for Riverdale.

Mr. Renwick: I am not certain whether my comments are related specifically to what the member for High Park has said, but I want to try to ask the minister a question. I raised the matter on second reading and I raised the matter when the debate was taking place on the definition of what I think was called net maintenance cost at the time the bill was introduced.

The key part of the clause is the word renovation. Is the minister saying that any out-of-pocket expenditure incurred by a person for the purpose of doing something to a piece of property is going to be included for that purpose—

Hon. Mr. Meen: Doing something to the building?

Mr. Renwick: —in calculating the 20 per cent regardless of what the amount is? I take the drift of his remarks, in response to the proposed amendment of my colleague from Sandwich-Riverside, to be that he wants to rule out the straight out-of-pocket expenditure which is paid for the white paint which paints the house.

Isn't he really inviting the kind of problem which I tried to raise earlier in the debate? That is that the very use in the taxing statute of the word renovation begs the question, for any court, or any tax body which has to make a decision with respect to it, as to whether or not the expenditure is an expenditure on revenue account or an expenditure on capital account. I think that is what I am trying to ask the minister.

It's not just a question of whether or not one has expended dollars on a piece of property or on a building or structure on that

property, which is what the minister appears to be saying, or whether that amount represents 20 per cent of the original cost or the fair market value, depending on the date upon which the property was acquired. Is he not inviting his ministry in the initial instance and anybody who subsequently has to deal with the matter on appeal to make the distinction as to whether the expenditure is an expenditure on revenue account or an expenditure on capital account? I happen to think that by use of the term renovation, without any other clarification, he is providing for that distinction.

Hon. Mr. Meen: My personal feeling is that I am looking at the capital side, not the income side of expenses. When I talk of renovations, I am talking of capital improvements.

Mr. Renwick: Yes.

Hon. Mr. Meen: We may need some clarification on that in due course, or interpretation of what constitutes renovations, Mr. Chairman. It's the capital improvement side I am talking about.

Mr. Renwick: This is what worries me, because I don't think the minister—and certainly the public—has any appreciation of what is involved in the provision of this bill in which he is involved.

I notice there is a group which has formed, presumably for the purpose of making representations on this section. I haven't received any representations from the property renovators' association, have you? Has the minister received representations from a body mentioned in the newspapers about two or three days ago, the property renovators' association or some such group of persons, which is obviously keenly interested in this problem?

Hon. Mr. Meen: Yes, Mr. Chairman, I recall that coming in. I have not studied it in detail but I think it's called the professional renovators association or something like that.

Mr. Renwick: Yes. I haven't seen them myself, and I take it that my colleague, the member for Lakeshore, hasn't received it. I don't think that the member for—

Mr. Burr: I received some in Windsor.

Hon. Mr. Meen: It's the Professional House Renovators' Association.

Mr. Renwick: Yes; obviously this is a body which has been called into existence by the provision of this statute. I am very much concerned when the minister says he may have received it but he hasn't studied it, because, like the member for High Park, I am engaged at the moment in trying to understand, rather than to express an opinion of approval or disapproval, what the minister is about. I find it extremely difficult when I am asked to understand something which the minister himself doesn't understand and his advisers don't understand. I am going to refer, ad nauseam if I may—because I did it on second reading and I did it in the net maintenance clause—to Gilmour's "Income Tax Handbook, 1972, Tax Reform," which is the 22nd edition of his book. It is still at page 365: I have never gotten off the page. I may have referred to 366, but it is all on the one page in the book. I see that my friend, the Minister of Housing, is well aware of the reputation of Gilmour's tax handbook—is that correct? Oh, he is not nodding or anything.

Hon. S. B. Handleman (Minister of Housing): I have heard of him.

Mr. Renwick: You have heard of him. Would you consider it your bible; do you have it on your bedside table for nighttime reading? I do. I have had it there ever since this bill was introduced. I am going to close my eyes now and see if I can recite it verbatim:

> The American Institute of Certified Public Accountancy from time to time publishes accounting research studies to provide discussion and documentation of accounting problems.

This is under the heading: "Current Accounting Practices Relating to Repairs and Improvements."

> Accounting research study No. 7, entitled "Inventory of Generally Accepted Accounting Principles of Business Enterprises," by Paul Grady, was published by the American Institute in 1965, and contains the following informative section in chapter 4 respecting capital and revenue expenditures:
>
> Depreciation is the means by which costs and other amounts are removed from asset accounts and charged to expense over their estimated productive lives. Many expenditures for or related to fixed assets are charged to expense when incurred, and therefore never become a part of the asset account balance. Expenditures that are charged to the asset account are called capital expenditures; those charged directly to expense are called revenue expenditures.

The distinction between capital and revenue expenditures may be an arbitrary distinction based on the materiality of the amounts involved [Which is the first point; the materiality of the amounts involved], or the distinction may be based on whether future periods will benefit from the expenditure or only the period in which it is incurred.

As a general rule, expenditures for ordinary repairs necessary to put assets back into good operating condition, and for maintenance aimed at keeping them that way, are expenses as incurred. The general rule sometimes is modified to permit the distribution of total estimated repair costs over the life of the asset through the use of a reserve. Total repairs, both ordinary and extraordinary, may be estimated for the life of the asset on a proportionate amount charged to expense and credited to reserve each period. Actual expenditures are then charged against the reserve.

Minor improvements and additions are usually included as ordinary repairs and expensed accordingly.

Well, it indicates clearly the kind of problem which the minister is introducing into the taxing laws with respect to this question about what the term renovation means. I think my concern has been throughout, as reflected in the court case—which I am not going to relate extensively again, because I did it at another point in time—about the question of the Canada Steamship Lines versus the Minister of National Revenue, 1966.

One only has to drive around the city of Toronto to recognize there is a great deal of "white paint" renovation taking place. The minister has referred to it either as "white paint" or as "sandblasting." And there have been the questions of the redoing of the electrical systems in a house; the redoing of the plumbing system in a house; and perhaps the repair of the roof. In many cases the repair of a roof and the replacement of the roof on a house has been considered to be a repair cost, not a renovation cost.

Hon. Mr. Meen: It can be treated sometimes even as a revenue account.

Mr. Renwick: I am simply saying that the basic question is not going to be quantified in terms of the materiality of the amount. There must be some better distinction which has to be made.

I think the minister's bill appears on first blush to indicate that if I buy a property on which there is a structure which could be called a house, then every cent I take out of my pocket to do something to that house property is going to be an expenditure which can be included in the calculation of the 20 per cent, or as my colleague has indicated the 10 per cent.

My impression from what the minister has said from the first point in time when I raised this particular aspect of the problem —and it is only one aspect of it—has been that he does not agree with that, that he in fact as minister is going to make decisions as to what number of dollars, when expended and for what purposes, are to be treated for the purpose of calculating this 20 per cent.

Is that a correct assessment of the minister's position? Is he going to abide by the traditional distinctions or tests to determine whether or not a particular expenditure is one on capital account and therefore a renovation cost, or whether it is one on revenue account and therefore a repair cost in the traditional sense?

Hon. Mr. Meen: Mr. Chairman, I think I was perhaps oversimplifying my assessment of what one would allow as a proper expense in the case of renovation expenses. I was thinking in terms of every last cent which effected a capital improvement as being a sort of capital expenditure.

The hon. member for Riverdale points out that at least under the Income Tax Act—according to Gilmour, in any event—they have treated certain of these expenditures, sometimes even including a complete new roof, I suppose. So I would have thought in reading Gilmour, and I have read that section in Gilmour myself, that the case of a complete new roof would be more legitimately a capitalized matter. Since one would expect a new roof to last, say 15 or 20 years, I would have thought that the income tax people might very well rule that that had to be depreciated over its anticipated life. But a running repair, one might say, where one patched up a hole in a roof brought about by a storm, would be an expense against income in the year in which the expenditure was incurred and therefore not charged off and added to the capital account.

My view would be if a renovator purchased a house that needed a completely new roof, I would treat him the same way as the renovator who purchased a house which merely needed some repairs done to that roof. Putting it another way, perhaps more accurately, I would treat the man who makes a repair to a roof to make that house watertight in the same way as I would treat him

if he were replacing the entire roof. But I think that would be a legitimate expense. Even though it might under the Income Tax Act be treatable as a revenue expense, I think that would be something that could still legitimately be charged by that renovator against his cost of converting that house into a first class livable accommodation.

Although we would look at the practice followed under the Income Tax Act, I am not suggesting we would follow it exactly; just as I have indicated here, my view is that for the benefit of the taxpayer under the Income Tax Act certain of these expenses might be classed as revenue expenses. He might very well want to charge them off against revenue in the year in which he incurred the expense.

Under this Act I think it would be appropriate to permit that as—in many cases anyway—a legitimate capital expenditure for the purpose of the renovation in determining whether or not he was subject to tax.

Mr. Renwick: Mr. Chairman, I do want to labour the point to some extent. I think we almost have to go back to first principles to illustrate to the minister the policy of what he is talking about. I think without being overly puristic about the question of accounting, what the Income Tax Act of Canada in fact provides is that you determine, in accordance with generally accepted accounting principles, the business operations of a particular operation and you apply the special rules of the Income Tax Act subsequently.

What I am trying to clear up is the question of expenditures on capital accounts. What the minister refers to as capital improvement expenditures, as distinct from revenue expenditures, is not a matter relating to the taxing statutes. It may be of significance in the way in which the taxing statutes are interpreted, but if one could assume a pure world in which there was no income tax or any other kind of tax which related to capital or revenue expenditures, the accountants would still be called upon to determine whether or not an expenditure at any given time is an expenditure on capital account or an expenditure on revenue account.

That question remains, whether or not we are talking about this taxing statute, the federal income tax, the Corporations Tax Act or any other taxing statute. Because the quotation which I referred to was not relating to the application of a taxing statute, it was relating to the question of generally accepted accounting principles for business enterprises.

As the minister knows, in the Business Corporations Act and elsewhere, there is the tradition of the report of the auditors with respect to the state of business of a particular operation. They talk about general accounting principles, and those principles are principles which are not related to the impact of particular taxes imposed by particular governmental or state authorities of one kind or another. What nobody now understands is the fact that the minister has clarified one thing, although he has confused it by mixing it up with something called income tax practice at the federal level, which has nothing to do with the problem. What he has said is that any dollar which is expended by any person on a building or structure on a piece of property for the purpose of calculating the 20 per cent, must be assessed by the accounting profession in the first instance for that person, and then presumably by the minister's accounting people to see whether or not they agree, to determine whether it is or isn't a capital expenditure or a revenue expenditure. I am simply pointing out that the problem is an extremely difficult one.

However, there will be cases when it will be difficult to determine how to classify an expenditure. As an illustration, the cost of replacing the roof of a factory building—of course here we are talking about a residential property—may clearly be a revenue expenditure in one case, but in the case of renovations to an old and dilapidated building, such a cost could be argued to be a capital expenditure.

Somebody is going to have to make the decision as to whether or not in the building that is kind of an old and dilapidated property—presumably in the case of residential accommodation an abandoned building, rather than one presently occupied by persons as a residence—a substantial expenditure such as the cost of replacing the roof, which the minister would agree would be a material amount of money with respect to a house property, is or is not going to be included in what he referred to as capital improvements, which I understand to be his extrapolation of what the word "renovated" means in the taxing statute. I think that poses a very serious problem for all of the people who, for legitimate business purposes—true somebody may say that there are speculative profiteers—have taken buildings and renovated them and then either sold them or leased them to persons for living purposes.

I suppose the classic example of the kind of renovation which is taking place is the renovation on—what is the street running north from Yorkville between Avenue Rd. and

Bay St., where the man who made the killing on Shell Oil—

Hon. Mr. Meen: Is that Hazelton you are thinking of?

Mr. Renwick: Yes, Hazelton Ave. Obviously that is an area where older buildings, still quite fit to be lived in, were first bought, substantial renovations were made, and I don't know whether they now have been sold or leased—I am just using it as an example. I would be very curious as to the determination which would be made by the minister with respect to those costs; and that included the gutting of buildings, as I understand it, in a rather loose sense of the term, and the sandblasting and the renovation of them and so on, to build them into something which have been called now, in the elitist term, "townhouses" and sold at substantial numbers of dollars over and above what they were acquired for.

As I say, I am only using it as a physical example of what is taking place elsewhere in the city. I am very curious as to whether or not the minister understands that, because I have laboured the point now and I am not going to labour it any further.

If the minister, in the spirit with which this assembly is always imbued—that is the ecumenical spirit which has kept us all here so closely involved in this particular tax bill, not only because of our genuine love and affection for the minister himself but also for the government's legislation, but more particularly for the people of the Province of Ontario—but having regard to that ecumenical spirit, I would simply point out to the minister that when the Canadian Transport Commission was faced with this kind of problem they dealt with it by schedule. They eliminated the problem because they specified for what purposes expenditures would be considered to be capital expenditures on the one hand or revenue expenditures on the other.

I am inclined to think that every now and then taxing statutes, particularly this kind of taxing statute, lends itself to that kind of decision-making by government, so that persons engaged in business when they make the expenditure can decide within very narrow limits as to whether the expenditure will be one which will be treated for this taxing statute's purpose as a capital improvement—to use the minister's term, for renovation—as distinct from a revenue expenditure. I again referred to this on an earlier occasion. It stated that:

> Where a uniform classification and system of accounts and returns prescribed by the Canadian Transport Commission requires that an expenditure incurred by a taxpayer for repairs, replacement, alteration, or renovation of depreciable property of a prescribed class, shall not be written off as an expense but shall be treated in some other manner.

Then they provide for practical purposes a schedule and a method by which you determined those things.

I think the people in business in the Province of Ontario, recognizing the importance of the renovation of the existing housing stock—and I think that is what we are all talking about, I mean that is an acceptable social value at the present time—lends itself immeasurably well to that kind of care and attention, so that those persons who are engaged in the legitimate business operation of the renovation of the existing housing stock in the city, and particularly in the inner core of the city where the older houses are, should be able to see very clearly which costs, when incurred, will be part of this 20 per cent and which will not, rather than inviting them into the quagmired decision-making process of what is or is not a capital improvement, or a capital expenditure, or a revenue expenditure, and what is included within the term "renovation."

As I say, in the ecumenical spirit that all of us have brought to this particular bill, I'd ask the minister, perhaps even at this late date, to stand the section down and indicate that he is prepared to make that kind of classification so that people will know. Because you cannot again leave people in the uncertain state, as you are doing throughout so many portions of this bill, and particularly, in my view, in this area.

Hon. Mr. Meen: Mr. Chairman, the hon. member for Riverdale is bringing into the discussion an element which I must say I hadn't contemplated in the drafting of this legislation; but I don't think it is an element that is really germane to it.

When he is speaking of revenue expenditures, he is talking, I think, of the case where the landlord has tenants in the premises and he is making repairs—perhaps to plumbing, perhaps to windows, to doors, to the roof or whatever—the cost of which he might want to set off against his revenues from the rental recovered.

What we are talking about here is where a renovator purchases a property. He has his acquisition cost determined and then he

turns around, puts his tradesmen in and makes fairly extensive repairs, if they are going to be 20 per cent. This is the kind of thing the member for Sandwich-Riverside was talking about too. This is what we are aiming at here in clause (g).

To my mind there aren't going to be any doubts entertained by the people who are doing the work about money legitimately expended to improve the premises, whether it might be money that would otherwise be allowable as a revenue expenditure if they had tenants in the premises and were expending money in order to keep the premises proper and suitable under the Landlord and Tenant Act, whether it was that kind of expenditure or whether in fact it was an expenditure that had to be charged off over a term of years, as is the requirement under the Income Tax Act in certain instances, as the hon. member for Riverdale says.

I don't believe there will be any question about how these are to be allowed or how we would treat them if they have worked an improvement on the premises since the time of acquisition and where there is not a question of tenancy in the premises where you have your workmen in. If there aren't going to be tenants in the premises, then there isn't any question. If there are tenants in the premises while the purchaser is making these extensive renovations, then I suppose it is possible we could have some difficulty in determining which was an appropriate capital expenditure allowable under this Act and which was something which he did only to keep his tenants happy and a sound roof over their head with doors that close and windows that close against the elements; and which was a proper kind of maintenance expenditure, during possibly an extended period of time in which he was carrying on these renovations, out of which eventually came his resale qualifying for the 20 per cent.

I think we would have to look at cases like that somewhat differently from the case where there is no tenancy involved while the repairs are going on. If that is the case, then I don't think the hon. member for Riverdale makes the case for difficulty on the part of the renovator in establishing his position; for whatever purposes, whether it be his bookkeeper's purposes, whether it be for the purposes of his financial statement, whether it be for income tax purposes or whether it be ours under this Act. I would think there is no significant difference in the kind of expenditures that would be allowable within a very wide spectrum—from painting, that would have to be part of it, to significant plumbing, to maybe just a minor roof repair—it would still be something that in my opinion would class as an expenditure for the purposes of clause (g).

Mr. Chairman: Would the member for Sandwich-Riverside yield to the member for St. George?

Mr. Burr: Yes.

Mrs. M. Campbell (St. George): Mr. Chairman, I have a great deal of difficulty with this section. I suppose my problem goes more to the root of the entire bill and what purpose we're seeking to achieve. It seemed to me that one of the reasons for looking at this tax was to try to stem the tide in the costs of the provision of housing at a time when we were facing—and we still are facing —substantial homelessness in the province.

I look at this section and I think in terms of a place such as Trefann Court, where I am quite certain there would be no difficulty in ascertaining that renovations had in fact been made and that the renovations had been made in substantial work. What is bothering me is that in the urban centres, when hopefully some day we will stem the tide of destruction followed by highrise, you will then have the new speculator, and I would call him that, who moves into the renovation field.

He may not be a speculator in the sense that I originally saw it, but he is certainly more of a speculator than some of the people already caught by some of these dreadful sections. What is happening is that by the very thrust of this kind of a section, what we are doing is precluding those organizations, be they non-profit or otherwise, from being able to function in the city to provide housing for those who need it at costs they have some hope of meeting.

So again the whole purport, the whole philosophy of this, as I see it, is being distorted in favour of those who are going to make their money out of the land, whether it be by renovation or otherwise, at the expense of those who aren't going to have a place to live.

I recognize the social aspects of the problem are not perhaps inherent in a piece of taxing legislation, but it is part of the whole principle that what we set out to do—and I repeat something with which I have been in hearty agreement throughout—has been distorted into a totally different emphasis to the advantage of those who are out to make their profits on land and/or buildings, while those

who have been caught in the squeeze, those who cannot provide what they set out to provide because of this kind of competition, are unable to be of any assistance to us. I don't know how I can approach it to any greater extent than that. I certainly feel that by increasing the amount you are only going to put up the cost; by decreasing it we are only going to really permit profits. In no way has there been any consideration of the implications of this proposed section as it affects the whole question before us, which is the provision of decent housing at prices people can afford to pay.

Hon. Mr. Meen: I don't know whether the hon. member expects an answer from me with respect to housing. It happens to be my colleague, the Minister of Housing, who has that responsibility; but I gather that—

Mrs. Campbell: I am aware of that; all too sadly aware of it.

Hon. Mr. Meen: But I gather that the member for St. George, though, does recognize there is some difficulty in determining what kind of percentage—if we are going to tackle and try to stop the "white paint" artists then obviously some figure of significant amount has to be written in. It is my opinion, and that of my advisers that 10 per cent is too little. It may well be that even 20 per cent is too little. That's the kind of submission that I get from Metropolitan Toronto. On the other hand, from the rest of Ontario the message seems to be that the 20 per cent is a little too high.

What I am saying here is that I have authority to reduce the tax; so I am proposing that I leave this section as it stands and then work up a provision that would meet the kind of situation illustrated so well by the member for Sandwich-Riverside. It could work; and could work just as well, I would think, here in Metropolitan Toronto.

Now the interesting thing is that if we also tailor it at the same time to percentage of expenditure with respect, let's say, to acquisition price, we might also then increase the 20 per cent at some later date if we find that some scallywags are getting away with something. Because we would then have a formula that could apply to reduce a larger sum based on the length of time held—and probably in inverse proportion to the length of time held—and also to the degree of expenditure incurred.

But at this time this section will give the ministry basic authority within which the minister can work to look after the problems I envisage could well be encountered in Sandwich-Riverside, and also perhaps in some areas of Metropolitan Toronto too, where the percentage of 20 per cent might turn out to be unrealistically high.

Mr. Chairman: The member for Sandwich-Riverside.

Mr. Burr: Mr. Chairman, it seems to me that when we are talking about renovators we should realize there are two kinds of renovators. First of all there is the professional speculator who buys a house for $30,000 and does a cosmetic job on it. He makes it look nice; puts on a new aluminum door and some paint. He doesn't do the work himself; he sends in some men to do it. He spends a couple of thousand dollars and sells the house maybe for $40,000. That's the kind of person that the minister—

Hon. Mr. Meen: That's the guy I want to get.

Mr. Burr: Unfortunately, there are some other people. I mentioned them in my example. There are two brothers who make their living out of their own labour. They buy a house and they do some renovating. They put in their own labour and they sell the house again at a very nominal profit margin. This profit does little more than cover their own labour. And this is the kind of person we are trying to protect.

I was just wondering during the course of the discussion whether some exemption should be given to the genuine—

Hon. Mr. Meen: To whom?

Mr. Burr: —to the genuine renovator; the man who does the work himself and is not in an ivory tower speculative position. I wonder whether that would be possible.

Also, another question of the minister: Has he given further consideration to allowing the renovator's own labour to count as part of the 20 per cent; or whatever the figure might be? Those are the two points.

Hon. Mr. Meen: Mr. Chairman, I have given some consideration to that and I think it would be possible to work out some allowance. We might have to set a figure where the allowance for labour by the renovator himself doing the work might be equivalent to the expenditure for material that went into the job. In other words, a 100 per cent markup on the actual material; some way like that. I think it may be possible to work this out by regulation. I have given some thought to that.

On the other point, I have already told the hon. member there should be some way

in which, in circumstances as he has outlined, the genuine renovator — except I wish I knew a way to define what constitutes the "genuine renovator"—should be permitted a profit, even if it does not come up to the 20 per cent of total acquisition cost. That is where I figure a regulation should be able to be tailored within the 20 per cent.

As long as the 20 per cent, or whatever figure we have, is a sufficiently high one within which we can work, then the ministry can have authority to abate tax if certain other qualifications are met; for example demonstrable expenses, which could include an allowance for the renovator's own labour on the job and then a measure of profit related to the total cost of those.

Mr. Burr: Mr. Chairman, would the minister say then that he is confident that the amateur, do-it-yourself renovator, of the type that I have described, will not be forced out of business?

Hon. Mr. Meen: Yes, Mr. Chairman, it would be my intention to see that sort of person was not put out of business.

Mr. Burr: Thank you.

Mr. Chairman: The member for Riverdale.

Mr. Renwick: I think the principle of what my colleague says is extremely valid and the minister will be able to protect the do-it-yourself man who is involved in this kind of renovation.

I think where the bill is really hung up is on the question of making moral distinctions about who is doing something which is acceptable and who is doing something which is not acceptable. Could I suggest to the minister that we insert by reversion to section 1 the definition of the word "speculator" to mean rascal or scallywag? Then perhaps we could define rascal or scallywag as not to include certain persons, such as non-profit corporations that are engaged in beneficient activity of providing housing for certain people or persons, if they are blood brothers —we wouldn't want half-brothers—who are engaged legitimately with their own hands toiling upon the property and producing the kind of housing accommodation which is required. Do you think that perhaps we could work that out some way, because the minister has referred a couple of times to scallywags? I tend to think that is rather a euphemistic term for rascals, which is a much more historic English word.

Mr. Burr: Scoundrels.

Mr. Renwick: Or scoundrels. We could delineate the term scoundrels as not meaning, for example, the member for Lakeshore. No one would want to call him a scoundrel.

Hon. Mr. Meen: I was going to suggest the definition as being members of the opposition.

Mr. Renwick: I may say, this is the problem. You cannot in a taxing statute make moral judgements about who is at what particular time in his career a scoundrel or a rascal.

Hon. Mr. Meen: Right; or a scallywag.

Mr. Renwick: Or a scallywag. As a matter of fact, there are few of us who are consistently scoundrels or scallywags.

Hon. Mr. Meen: Quite so.

Mr. Renwick: It is just at certain points of time in our careers.

Mr. Lawlor: And not when we are renovating houses, I can tell you that.

Mr. Renwick: Could we stand the matter down and deal with it on that basis?

An hon. member: I have heard of better reasons than that.

Mr. Renwick: I can send out for the longer or shorter Oxford English dictionary and get the magnifying glasses out and see what those terms mean and whether it is possible to give some definition to that.

My colleague, the member for Sandwich-Riverside, is an estimable, honourable man. He is just like Caesar. The fact of the matter is that the minister is saying yes, we will protect this little enclave of honest people. But he won't define the larger area of sophisticated scoundrels, rascals and scallywags. That is what he is trying to get at. It has the Liberal party hang up. They are always hung up on moral judgements. They have great difficulty in making them.

Mr. H. Worton (Wellington South): Not on scallywags, though.

Mr. Renwick: Oh indeed they have. They wanted to get somebody called the speculator and they voted for the bill on principle because it was against something that was wrong. My colleague from York Centre knows. Was it wrong to develop Thorncliffe Park?

Hon. Mr. Meen: Back to the section.

Mr. Worton: Well, was it a scallywag or a speculator?

Mr. Renwick: I don't know.

Mr. Chairman: Order please. I think we are spending too much time on the amendment.

Mr. Renwick: It was speculative and it was profit-making, but it provided an immense amount of public accommodation.

Mr. Chairman: Does the member wish to discuss the amendment further?

Mr. D. M. Deacon (York Centre): Not very much profit-making.

Mr. Renwick: Oh we always knew that. There is never any profit. There is always a lot of hard work and no profit. We all understand that. But people made their living for years in developing Thorncliffe Park.

Mr. Chairman: Order please.

Mr. Renwick: I am asking my colleague the member for York Centre, was that a speculative profit scheme?

Mr. Chairman: Order please; we are off the topic we should be discussing.

Mr. Deacon: That was a long-term gain.

Mr. Chairman: Does the member for Riverdale wish to come back to this section?

Mr. Renwick: Oh yes. Thank you, Mr. Chairman, for drawing it to my attention.

How are you going to deal with the problem of who is the good guy and who is the bad guy? It is not a grade B western movie we're dealing with, it's a taxing statute.

Mr. Deacon: Mr. Chairman, it all gets back to the same problem, in our view. The reason we supported the bill is, as the member for Riverdale said, we are against what you call churning, a short-term movement of properties; and this is why we feel that all these other clauses you have are really missing the point and frustrating the situation.

An hon. member: Take out everything but the first clause.

Mr. Deacon: We have a problem here, just in this one clause. I think of those houses south of Queen St., west of Bathurst, that were repaired by the people in that community at a cost of $300 to $400 a house, houses that were considered unfit to live in by the building inspectors before they went to work on them. That was $300 to $400 a house that they spent, in cash. It would be very hard to work it up to the 20 per cent figure, even taking in the value of the contributed labour. But they did improve those houses and put them in fine shape.

Surely we are not trying to force upon people major improvements far beyond that which they require? Yet this is, in effect, what this clause does. It worries me that the minister is trying to attack the problem of speculation by the value-added approach. I really feel the minister is making a great mistake in not saying; "We'll put aside all other things and recognize we are trying to get rid of churning and will tax heavily on short-term trades."

The member for Riverdale mentioned Thorncliffe Park. That stock was in for about 12 years. It went from the issue price of $5.50 to around $8 after 12 years. That was what I'd call long-term development and I don't think it would be subject to tax under this situation.

Mr. Chairman: The member for Lakeshore.

Mr. Lawlor: Mr. Chairman, in continuity with my colleague's statements as to the distinction between expenditures or expenses and capital improvements, I think the minister will agree, as we did when we sat as colleagues on the Smith committee, one of our chief concerns from that time has been with the federal government—since that date, as a matter of fact, we've brought in innumerable items of taxing legislation precisely to bring congruence between the federal scheme and the provincial. The minister—I suppose he bows his head to the storm at this particular stage—recognizes, I'm sure, that what he is suggesting here today is a grave and complete traducing or departure from those principles that were laid down at that time and what has been our intent, to try and keep in some form of relationship and congruence.

If he's going to call a capital benefit what is really an expense, and vice versa, and he's going to designate that within a very subjective intent and within the narrow discretions of his ministry, by regulation or otherwise, he is running directly counter to the whole scheme of taxation as we've envisaged it in an overall way in the province.

He may argue that in considering a land speculation tax it's going to have to have it's own proper designations. But really, aren't you introducing a complexification that begins to boggle the mind? Won't they have to set up two diverse sets of principles as to what is a capital accretion and what isn't?

And won't there be total confusion in the ranks? Think of the amounts of money that will have to be expended to accountants to

know these diverse concepts, working in antinomy as between the two levels of government and between your own concepts of capital gains taxation on the one side—in your own legislation—and this peculiar piece of legislation hanging out here which has its own principles and in which everythig you said was a rose turns into a thorn or vice versa.

Truly the minister is a pioneer. There are two types of pioneers, Mr. Chairman, and I think this afternoon the minister gleams like a conquistador. There is the guy, "stout Cortes," whom you would like to be, surveying the Pacific. You have really reached a kind of elevated piece of land from where you can see at least 2½ miles out to sea. But the other guy, you never hear much about him, his name was Miguel; he fell down a hole in the Andes and nobody ever heard of him again. You must take into account Miguel, along with the other fellow.

In a section of this kind you are building in all kinds of ambiguities, all kinds of twisted definitions and designations which don't fall in place, which are directly counter to what has been achieved in good accounting principles over a long period.

It takes 50 years to come to any sort of working definition of what a capital improvement would be on property; and with a wave of the wand out it goes. You say that is going to be considered of that nature as far as we are concerned because we have to do so if we are going to give any relief and keep Sandwich-Riverside's small contractor in business. It is an enormous price you are paying in terms of the jurisprudence of taxation in order to achieve your results.

I can only point this out. I think any indication of what you intend to do at this stage in order to rectify the thing after the event is not really going to solve the difficulties I am talking about.

Mr. Chairman: Ready for the question? The member for Riverdale.

Mr. Renwick: Thank you, Mr. Chairman. The only reason I stood up was because of my colleague's usual adroit remarks of being a pioneer, and it reminded me of that other phrase—some are born pioneers and others have pioneership forced upon them. I am inclined to think the minister is in the latter class. He is not quite sure what it is about and I think his friends under the gallery don't know either.

Hon. Mr. Meen: Back to the section.

Mr. Renwick: Back to the section?

Mr. Lawlor: He's an explorer without a map.

Mr. Renwick: Yes, he really is. If I could coin a phrase, "unchartered seas". Could I make a prophecy, too?

Mr. Lawlor: Have you ever heard about the subjunctive?

Mr. Renwick: The Act will be repealed within a year.

Hon. Mr. Meen: You said that.

Mr. Chairman: Ready for the question?

Mr. V. M. Singer (Downsview): No.

Mr. Chairman: The member for Downsview.

Mr. Singer: I am sorry I wasn't here a little earlier, Mr. Chairman. I understand we are on clause (g), the 20 per cent?

Mr. Renwick: It has been amended to 10 per cent.

Mr. Singer: Has it been amended? By whom? By your colleagues?

Mr. Renwick: We haven't passed it yet.

Mr. Singer: That's an amendment moved by the member from Windsor?

Mr. Renwick: The member for Sandwich-Riverside.

Mr. Singer: Yes, the member for Sandwich-Riverside. I think I can support that without too much difficulty, Mr. Chairman, and I wonder, really, whether the minister gets any messages. Is he aware there was a meeting convened by the Canadian Bar Association with about 1,500 lawyers in attendance yesterday? They all paid $25 or $40, I think, and they spent six or seven frustrating hours trying to understand what was going on in the Act.

Mr. Renwick: If you see them up in arms; boy you are in trouble.

Mr. Singer: A gentleman named Mr. Stephenson apparently came on your behalf and admitted the Act had certain shortcomings. He admitted he was unable really to tell them what was going to happen or how things were going to work; and that maybe there had to be more changes and maybe he didn't understand the meaning of some of the words. I wonder how many messages the minister has to have in order to take back this Act, put it on the drawing board again and have a real look at it. The section we are

talking about now, this 20 per cent—and I am sure the point has been made earlier; I regret I wasn't here, but I was otherwise engaged on some very serious business—

Mr. Renwick: I am sure it was dealing with the other part of the executive branch of the government.

Mr. Singer: On this 20 per cent business, undoubtedly representations have been made to the ministry as they have been made to me and many members of the House, about the problem of arbitrarily picking a 20 per cent figure. There are persons engaged in the business of acquiring old and rundown houses, refurbishing them by painting and plastering and perhaps putting in some new plumbing and that sort of thing, and putting—

Mr. Renwick: Usually I would object that this was repetitious, but I won't.

Mr. Singer: Oh, thank you—and putting these buildings back on the market for sale. Now if you are going to make sure they have to put in 20 per cent over and above the cost of the buildings to them, then, Mr. Chairman, what's going to happen is they are going to look at their cost figures and say: "Oh, gosh, I guess we didn't do enough. We are going to have to put in some air conditioning. We are going to have to have wall-to-wall and ceiling-to-ceiling broadloom. We are going to have to rip out everything that is inside and replace it until we get up to this magic figure of 20 per cent; and then having done all of that we are going to have to charge more."

What are you doing to help the housing crisis?

Mr. Deacon: How are we getting cheaper housing that way?

Mr. Singer: You are hindering; you are really throwing up another roadblock. Do you really know what you have done with this statute? All over the Province of Ontario people are afraid to deal with land or buildings or anything else because they don't know what this silly statute means, they don't know whether it's going to be deductible as a business expense—we are going to come to that one again later; I am sure the minister has seen my notice of motion.

Mr. Lawlor: No, no; we have been over that very thoroughly.

Mr. Singer: But surely, Mr. Chairman, when so many people who are knowledgeable about the business—lawyers, accountants and others—bring forward this voice of protest, something must appeal to the minister. Maybe he has made a mistake. Maybe he should rise in his place as I heard on the radio his colleague the Minister of Transportation and Communications (Mr. Rhodes) did this afternoon, and say: "Dial-a-bus was a big failure and we wasted umpteen million dollars of the public's money and we are going to quit."

Why don't you do that here? Take it back, say you're sorry, you made a mistake, you tried—not very well, but you tried—and bring us back an Act the people of Ontario can live with, that isn't just going to stop business dead, that isn't going to increase the price of renovating a home. I can't think of anything more sensible at this time to correct this bad section than to vote for the amendment put forward by the member for Sandwich-Riverside.

Mr. Chairman: Are you ready for the question?

The hon. member for Peterborough.

Mr. J. M. Turner (Peterborough): Mr. Chairman, I would like, if I may, to have some assurance from the minister. We have heard of contractors, we have heard of amateur do-it-yourselfers and so on, but what happens in the case of a couple, or even a single person—but let's presume a young couple have bought a house and they decide to do the renovation work themselves insofar as it is possible. In that specific case, can they include the cost of their labour towards the renovation?

Hon. Mr. Meen: Mr. Chairman, I take it my colleague was not in the House when I directed my comments along that line. I have indicated that we are looking at that.

If he is talking about the young couple who buy a house which becomes their residence, and the young couple move in and do their own renovations, then there is no tax money. I think what he is talking about then is someone who is renovating a house—

Mr. Turner: That's right.

Hon. Mr. Meen: —he is living somewhere else, and it's not become his residence. He is doing it, or his wife and kids are helping him with the renovation.

Mr. Renwick: Is it important whether they are young or not?

Hon. Mr. Meen: Then I am saying that it would be possible to build into the allowances, by regulation, a factor relative to one's

own labour, possibly related in turn to the capital expenditures for material put into the work. This is a factor that is used in other statutes, I am advised, and it is one way we could do it, but that is the kind of thing that we are looking at at the present time.

Mr. Turner: Mr. Chairman, just to pursue that, I was in the House and I did hear the answer. One thing that rather concerned me, and I am sure the minister just picked a figure from the air, but I would caution him and draw to his attention that, in the case of a renovation job as against a straight new construction job, normally the labour cost is much higher than the material cost. I would just like to draw that to his attention if I may.

Mr. Chairman: The hon. member for Lakeshore.

Mr. Lawlor: I have a technical question, I suppose, which has to do with this section. On renovation, the figure has to reach 20 per cent after April 9, of the cost to him of his acquisition of the designated land. Then down below in that same clause it says if the fair market value should be higher than the cost of acquisition. Has the minister a definition of what the cost of acquisition in this context means? What does it cover?

Hon. Mr. Meen: If the hon. member would look back, he will see that it was defined at the beginning; and the adjusted value. We have that in the earlier definitions which the hon. member may not have noted. What we are saying is the cost of acquisition if after April 9. If he happened to own it on April 9, then it is its fair market value on that date.

Mr. Lawlor: I don't agree as to your business of what the cost of acquisition means in your previous clauses under appraised value, fair market value or any other sort of thing. The brochure the minister has issued to the general public does include within the cost of acquisition, for instance, the land transfer tax that would have had to be paid at the time of acquisition. I would like to know whether it includes legal fees that you have to pay at the time; and does it also include real estate fees? What does it include?

Hon. Mr. Meen: The cost of acquisition ordinarily would include real estate fees, if the hon. member will assume that the purchaser winds up paying the real estate commission, which is payable legally by the vendor but buried in his sale price.

Mr. Lawlor: Right.

Hon. Mr. Meen: It would also include his legal expenses, I would expect, on acquisition of the property.

Mr. Lawlor: Again, is the minister prepared to publish regulations that are going to say that a real estate fee, for instance, that is legally paid by the vendor is somehow or other buried in the sale price and therefore a legitimate cost to the purchaser?

Hon. Mr. Meen: No, Mr. Chairman. The real estate fee payable by a vendor, I think one would expect philosophically, is absorbed in his sale price. Eventually then in that transitional sense it is payable by the purchaser; but in fact it is, generally speaking, an obligation of the vendor.

If it were worked the other way, the dollars would be the same. The vendor would recover that much less on his sale if he agreed with the purchaser that the purchaser would pay the agent's commission on that particular transaction.

Mr. Lawlor: Yes, that would have to be agreed in writing as a separate matter, wouldn't it?

I would refer the minister to the highlights of the 1974 budget statement, page 8, where calculations are made as to what the impact of this tax would be.

Mr. Singer: That is the third previous version.

Mr. Lawlor: I do tend to get behind on these things. Maybe later tonight we'll have the fourth version.

Mr. Singer: The fifth one, why not?

Mr. Lawlor: I'm not going to spend time belabouring the minister on this particular one. Your regulations will contain a detailed summary or detailed statement of all those matters that would go in to define what that elusive term really means, I take it. Is that so?

Hon. Mr. Meen: If there's any term that requires further elaboration, Mr. Chairman, it would be included in the regulations.

Mr. Chairman: Are you ready for the question? The hon. member for Downsview.

Mr. Singer: I have a number of questions for the minister. It had been suggested to me that the minister, or some of his officials, had been discussing it with some of the persons knowledgeable within this particular industry, and that suggested compromise either had come forward from the ministry

or had been put forward to the ministry and it was going to be thought about. It ran something along the line that where the improvements were less than 20 per cent the calculation could be made as to the amount of the improvement and the tax would abate accordingly, or be adjusted accordingly. Can the minister enlighten me on that before we get to a vote?

Hon. Mr. Meen: Mr. Chairman, the hon. member could take a look in Hansard, if he likes. I enlightened the hon. members earlier this afternoon.

Mr. Singer: Could the minister elaborate on that again? I apologize for not being here, I can't hang on his every word.

Hon. Mr. Meen: Yes, I realize that. I will try to be brief though.

We are looking at the 20 per cent figure as probably a top limit. We don't want the so-called renovator to be able to simply go in and slap a coat of paint over everything, or to sandblast the front and slick up the place without making significant improvements. So we figure that a 20 per cent figure is not too low—except certainly in Metro where we are told that it may be too low; but to the rest of the province it may be a little on the high side, as indicated by the member for Sandwich-Riverdale.

Therefore I have said to him that rather than adopt a ten per cent figure which was the subject of his amendment—and which would be in the opinion of my advisers and the people who have an opportunity to look at the general picture here in Metropolitan Toronto a figure much too low, and would be playing into the hands of those who simply do want to go in and make a minimal amount of improvement on some premises and then put the property back on the market at a substantial profit—we would, within the latitude accorded by the Act of 20 per cent and the authority to abate the tax below that figure, then allow for the person such as described by the member for Sandwich-Riverside. His expenditures including some allowance for his own labour, would then form a base upon which a measure of increase could be allowed without tax. Beyond that the tax might well be exigible at the normal 50 per cent rate.

We also are looking at the question of the length of time within which a property would be held. So there are a number of factors that enter into it which do not render themselves at this time susceptible to reduction to statute. I am just saying that we should leave clause (g) as it stands with the refinements to be worked out by way of regulation just as quickly as we can.

Mr. Singer: Well I thank the minister for explaining it again, although I find the minister's explanation totally unsatisfactory.

I don't see how the minister can possibly readjust a positive statement in a taxing statute by promising he will consider it and perhaps change what he has written by regulation. I think it is absolutely the anathema of the legal principles behind taxing statutes. If the minister is so badly prepared he can't come before us with a taxing statute that means what it says and he tries to slough off the weaknesses by saying: "Don't worry, we have the problem in mind and we'll fix it up by regulation;" then I say that all the minister is asking for is complete dictatorial powers.

Why didn't he just come in with a statute and say: "We will levy whatever tax against speculators we think is proper and we'll tell you in regulation from time to time what it will be and against whom it will be levied"? It would have made it much simpler, it would have saved a lot of time of the House. We have had only one vote and it might not have been too constitutional, as this probably isn't, but it would have saved us all an awful lot of time.

The minister has begun to think about some of these problems, but unless and until he can reflect them in legislation, certainly he can't look to us for support.

Mr. Chairman: The hon. member for Riverdale.

Mr. Renwick: May I just ask, Mr. Chairman, what the Professional House Renovators' Association asked the minister to do about this section of the Act?

Hon. Mr. Meen: As I mentioned, I was aware that a submission had come in; I have not studied it. My staff have been looking at it. I do not know the result of their assessment of the submission. My general impression gained from what I have heard is that they basically support what we are doing. Now they may have some recommendations to make along that line, but I can't say.

Mr. Chairman: Are you ready for the questions?

The committee divided on Mrs. Campbell's motion that clause (e) of section 4 be amended by adding after the word "dependants" in the fourth line thereof, "or by

a person resident in a hospital, a nursing home, a senior citizens' residence or any other institution under the Charitable Institutions Act", which was negatived on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 26, the "nays" 44.

Mr. Chairman: I declare the motion lost and clause (e) of section 4 carried.

Mr. Breithaupt: Mr. Chairman, do you think we can take the same vote on this next one?

Mr. Chairman: Shall we take the same vote? Agreed?

Mr. Singer: It doesn't really matter.

The committee divided on Mr. Burr's motion that section 4(g)(ii) be amended in the third line thereof by changing "20 per cent" to "10 per cent", which was negatived on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 26; the "nays" are 44.

Mr. Chairman: I declare the motion lost and section 4(g) carried.

Mr. Singer: Don't worry, it will all be taken up in the regulations.

Mr. Chairman: Now we'll deal with section 4(h), and we'll also revert back to section 1, subsection (1)(a) and (b), and then section 1(e) and (f) and section 4(h). We'll deal with them all together this time. Is that agreeable?

Mr. Breithaupt: Yes, Mr. Chairman. We could perhaps have some guidance from the minister as to just how he wishes to deal with this entire package. Of course, as you know, Mr. Chairman, it deals with the various farming matters that are raised in the Act, the first dealing with the 10 per cent situation, and then the other two dealing with the definitions of farming and farming corporations. It's in section 4(h) that I think many of the members have comments to make concerning, particularly, the applicability of this matter of farming land being designated. If the minister could give us some guidance as to how he wants to deal with the farming matters, if perhaps, we can call them this, we would then know how to proceed.

Mr. Chairman: For the benefit of the members, just before the minister rises, the sections that we are dealing with are on pages 3, 5, 6, 8 and 13.

Mr. Singer: Shouldn't we go back and have a look at the title again?

Mr. Chairman: I thought the chairman was doing this as a favour for the member for Downsview. I understood—

Hon. Mr. Meen: No, I think the member for Kitchener—

Mr. Chairman: I am sorry, Mr. Minister.

Hon. Mr. Meen: — was asking for my thoughts on this, Mr. Chairman.

Mr. Singer: I'm interested in this section, too.

Hon. Mr. Meen: Frankly, I'm easy. It seems to me we could discuss 4, sub (h)—

Mr. Lawlor: You are not easy, just plain loose.

Hon. Mr. Meen: —and to the extent the members may wish to refer back to section 1, subsection (1) clauses (e) and (f); and section 1, subsection (1) clause (a) and subsection (v). It seems to me they might be free to do that, though I think the major part of the thrust of this debate surrounds section 4(h) itself.

And, then, when we have concluded that debate, I would think that your vote would be on all of those as a package, inasmuch as we have—I was going to say, I am advised by the Leader of the Opposition that he may propose an amendment to section 4(h), and so the vote would be on section 4(h).

Mr. R. F. Nixon: The member for Huron-Bruce.

Hon. Mr. Meen: I am advised that it's the member for Huron-Bruce—that we would take the vote on that. The other sections were discussed at some length, so I would expect that the hon. members would limit their comments on those sections, since our major debate really will hinge around section 4(h).

Mr. M. Gaunt (Huron-Bruce): Mr. Chairman, I have an amendment for section 4(h). It affects section 1, subsection (1), clause (a)(v) and clauses (e) and (f). Nonetheless, I will deal with this particular section. And I think, Mr. Chairman, I'll put the amendment now, with your concurrence, and talk to the amendment during the next few minutes, if that meets with your approval?

Mr. Chairman: Okay, that will be fine.

Mr. Gaunt moves that subsection (h) of section 4 be amended by adding after the

word "transferor" in the second line, "in farming, and has been so used by the transferor for a period of 10 consecutive years prior to the disposition," and by striking out all the following words in the subsection. So the subsection shall now read:

> When the designated land disposed of is, at the time of the disposition, used by the transferor in farming, and has been so used by the transferor for a period of 10 consecutive years prior to the disposition.

Mr. Gaunt: I think the main problem, Mr. Chairman, in this particular section having to do with farming is the fact that we haven't distinguished the matter of the difference between an investor and a speculator, and our contention is that a farmer is an investor and not a speculator. The entire amendment is premised on the fact that a farmer invests in his land, he invests in his buildings, and he does not do so for the purpose of speculation. He does so for the purpose of making a living.

The intent of the amendment really is twofold in nature. There are two aspects of it, the first dealing with the matter of farm sales from farmer to farmer, and it drops this business of distinguishing between sales to members of the family and sales to other farmers outside the family. Quite frankly, I think it is a piece of nonsense to distinguish between sales to members of the family and sales to other farmers. I see no point or rationale in that at all. In both cases the purchaser is going to be farming and so it is the end use that's important here.

The other matter has to do with the sale of the land when it is being removed from farming, and according to my amendment this would remove that land from the application of the tax if the land has been farmed continuously for 10 consecutive years by the transferor. In this way we are saying that in no way is the farmer who has farmed that land for 10 consecutive years a speculator; he is not trading, he is not churning, as my friend from York North (Mr. W. Hodgson) mentioned. He is obviously there with the intention of farming that land and should not be subject to the application of this particular Act.

I might just read a letter I received from a gentleman whom I have known for a number of years. He is not a constituent of mine but he does make the point here that as far as he is concerned this particular Act, as it applies to farmers, is not very appropriate or not very just, particularly as it applies to his case.

Mr. Chairman: Order please.

Mr. J. Riddell (Huron): Let's cut out the tea party.

An hon. member: They are laughing at the farmers.

Mr. Singer: They are not interested in farming. Let the record show it.

Mr. Gaunt: I will just put on the record some of the comments that are made in this letter. The letter is dated May 16:

> I am writing you about a problem that is to be forced on a large group of farmers in the near future. The problem is Mr. White's new speculator legislation.

Actually it is Mr. Meen's speculator legislation but is was mentioned by the Treasurer in his budget and so I imagine that's why that impression is conveyed.

Mr. P. G. Givens (York-Forest Hill): It's an illegitimate child between the two of you.

Mr. Gaunt: The letter goes on:

> As you know, I have a farm on the edge of London. I have farmed this farm for 22 years. I have spent close to $60,000 on this property in improvements, one way and another, fences, buildings, etc. I did not ask the city to move toward me. It would appear to me that I made a mistake. I spent this money to produce food, chickens and cattle. I have been offered a high price for this property by farm standards, but I want to continue farming it for some time. Now Mr. White says that I must pay 50 percent over farm value as a speculator.
>
> Are all farmers to be treated as speculators when in reality they are not? Mr. White has kindly exempted a transfer of property within the family from the tax. What son could afford to buy his father's property near a city and continue to farm it?
>
> It appears to me that Mr. White would like to treat the family farmer who has worked so many years like a speculator. There is only one difference. The farmer has worked to pay for his farm for years. The speculator has probably paid a minimum down payment, say $5,000 on a $250,000 property, held it for a year and sold it for $500,000. Some speculators that have done this very thing have offered to buy my farm. Can you see any reason why the two should come under the same law?

Mr. Givens: How does the Minister of Agriculture and Food answer that? How does he answer a letter like that?

Mr. Singer: Is the Minister of Agriculture and Food going to vote with his party on it?

Mr. Givens: How would you answer that letter?

Hon. W. A. Stewart (Minister of Agriculture and Food): He's exempted.

Mr. Gaunt: No, he is not exempted.

Hon. Mr. Stewart: As of the value of April 9.

Mr. Gaunt: Yes, but if he sells it—

Hon. Mr. Stewart: And he can add on 10 per cent a year and another 10 per cent on top of that and he has the maintenance costs to add to it.

Mr. Gaunt: But the point is that if he values that property at—well, let's just use the figures given in the letter. There's no need for accuracy; I don't know whether his property is worth $250,000 as of April 9 or not, but let's say it is for the purposes of argument in dealing with the comment made by my friend across the way.

Let's say that his property as of April 9 is worth $250,000. A year from now, because of the development pressures brought about by the advancement of the city of London, he is offered by some speculator $500,000. There is no possible way that he is exempted under the Act, given those figures.

Hon. Mr. Stewart: That's right.

Mr. Gaunt: He is exempted up to 10 per cent per year, but under the conditions of the Act, he would have to pay the tax and yet he has farmed that land.

Mr. Givens: With inflation at 12 to 14 per cent what are you doing for the guy?

Hon. Mr. Stewart: With that 12 to 14 per cent he is more than covered.

Interjections by hon. members.

Hon. Mr. Stewart: Yes he is. He has got 10 per cent right in the bill and he has got another 10 per cent in maintenance costs. That's 20 per cent right there.

Mr. Gaunt: The conditions that I have described—

Interjection by an hon. member.

Hon. Mr. Stewart: That doesn't matter. He is just a farmer. I am not saying he's speculating.

Mr. Chairman: Order, please. I wonder could we have the member from Huron-Bruce finish and then if anybody wants to get in the argument, we'll give everybody an equal opportunity.

Mr. Gaunt: The point that I am making is that given those figures, this farmer would not be covered with the exception of the 10 per cent plus the maintenance costs, which wouldn't take him out from under the provisions of this Act according to the figures I have cited and yet he has farmed that land for 22 years.

Under no conditions is that farmer a speculator. He is not a speculator. He never intended to speculate and yet he's the victim of circumstance if you like. He's the victim of the encroachment of the city of London.

Hon. Mr. Meen: He is the beneficiary of the city of London to the extent of $250,000.

Mr. Givens: He shouldn't come under this bill at all.

Mr. Gaunt: It depends on how you want to look at it. He's going to benefit financially, no question about it. But he wants to farm.

Hon. Mr. Meen: Then he can carry on farming.

Mr. Gaunt: He can carry on farming to the point where land values are such that he can't afford to carry on farming. That happens all the time. That's why he should be exempt, in my view, when he has owned or farmed that land for more than 10 years. He should be exempt from this tax for the first sale. That is really what we are saying under the terms of this amendment.

I would commend the amendment to all members of the House and I hope the minister will see the point that is brought forward here.

Mr. R. F. Nixon: Mr. Chairman, I was interested in the interjections of the Minister of Agriculture and Food in connection with the amendment put forward by the member for Huron-Bruce. He is attempting to defend a situation which must cause him and some of his friends in the Conservative party serious embarrassment.

In fact, you are saying, by including the bona fide farmer in the provisions of this Act, that he is a speculator. You are saying that if he is prepared to sell his property for more

than what the Minister of Agriculture and Food might feel is a proper increase in value —10 per cent a year plus the additional costs of his maintenance fees, including taxes —then he deserves to pay the tax. If he believes that way he should vote against the amendment and the chances are that he may, in fact, vote against the amendment.

The point we have made in this connection, in the sections that were previously stood down, is, No. 1, the definition of farming is very weak. In the bill at present, if you have property and have two bees on it—and they may even be of the same sex for all that matters—

Hon. Mr. Meen: You are going to have two more bees.

Mr. R. F. Nixon: —you are a farmer under the provisions of this bill. In other words, any kind of a well-to-do person from the city can go north of London, buy a large property, put a couple of bees or even a couple of Anguses on the property and be designated a farmer under those circumstances.

To begin with, we have been critical and so has, for example, the hon. member for York North been critical of the definition of farming in this bill. It is unconscionably weak.

To define a farmer is tough, but one of the toughest ways to do it, I say to the Minister of Agriculture and Food, is to say that you are a farmer if you make most of your money off the land. I know he is a beef farmer and he might not be excluded, but it would mean that you would have to be a bona fide farmer out on the land, working at the provision of food products in order to qualify under the amendment that we propose.

We are also prepared to recognize that farmers for a quarter of a century and longer have been on the economic short end of what's happening in this province and in this nation. It has been only in the last few months that the farmers have been treated to an increase, at least in their gross income. And this is with all the problems they must face, with the uncontrolled increases of the inputs that they must purchase and apply to the land by way of products and services in order to produce the products at the elevated prices that they are now receiving.

The Minister of Agriculture and Food knows as well as I do that that is extremely selective, too. If you happen to be a hog farmer, the elevated prices you are receiving mean that for every hog you sell this week you are probably losing between $8 and $15 per carcass.

We are trying to recognize in this bill that the provisions put forward by the minister wherein the value of the property can increase by 10 per cent a year beginning with the April 8 cutoff has nothing to do with what the farmer should have access to by way of the appreciation of his property. If London growth north and goes out into some of those farming areas of Middlesex, and if the person is a bona fide farmer under the provisions that we have tried to put forward, why shouldn't he be in receipt of those large incomes from the sale of the property which have been accruing to other people, not bona fide farmers, for so long?

The amendment put forward by the member for Huron-Bruce is very clear. It exempts bona fide farmers and if they sell the property for $1 million, they are still exempt.

Mr. Givens: That's right.

Mr. R. F. Nixon: We do not consider the people who are farmers as speculators and we regret very much that so far the Minister of Revenue has not seen our point of view. Neither has the Minister of Agriculture and Food, although he may give it some further consideration.

Let me tell you, Mr. Chairman, it is not enough to say we are giving the farmers some sort of a special gift of a 10 per cent increment, year by year, based on the value at April 8, 1974, plus an additional value of the cost of maintaining the land. The bill still designates the farmer as a speculator and in that it is wrong—it is morally wrong—and I would trust, Mr. Chairman, that you and the people in this House who think as we do in this regard are prepared to support the amendment.

If you don't like the provisions of our amendment for God's sake give us an amendment of your own which we can consider because we do not believe the bill should go forward with the provisions it presently contains. It's an abomination. If the Minister of Agriculture and Food says it does not designate farmers as speculators he is wrong because part of the title of the bill—and we have been messing around with even the bill's title—is An Act to impose a Tax on Land in respect of Certain speculative Transactions. With an amendment which would exclude the farmers we would do what is right for that industry and for those individuals.

I simply say in closing that we do not want to do a favour for somebody who is

designated as a farmer under this bill; that is, by keeping a couple of cows, a couple of bees—or growing some sort of an apple crop on four or five trees. That doesn't designate a farmer — that is an amendment which really ought to be dealt with at the same time. It's not an easy amendment but it's one to which surely the mind of man, the mind of the Minister of Agriculture and Food, should set itself. We earnestly call for the support of you, Mr. Chairman, and the other members of the House for this eminently reasonable amendment put forward by my colleague from Huron-Bruce.

Mr. Chairman: The member for Downsview.

Mr. Singer: Mr. Chairman, I am not anxious to repeat what the member for Huron-Bruce has said, what my leader has said, what the member for Sarnia (Mr. Bullbrook) said earlier or what I tried to put forward at the commencement of the second reading debate in connection with this bill. But there are a couple of points which, perhaps, bear some additional emphasis.

No. 1 is there is a federal capital gains tax and a farmer who sells his farm at a substantial profit, as a capital gain, is taxable and he has to account to the government of Canada for that. Surely, that has to be borne in mind?

The second point I want to draw to the minister's attention is, since we now have back in the Act—we had it out for a few weeks—the exemption relating to expropriated land, to think for a moment what happens to a farmer who is within the expropriated land limit and what happens to his neighbour immediately outside. The government of Ontario decides it is going to build another North Pickering. I tried to make this point in second reading but perhaps it didn't get through so it bears some repetition—

Mr. Givens: Nothing gets through.

Mr. Singer: The government of Ontario decides it's going to create another North Pickering and it expropriates a large acreage of land. Somewhere along the way it draws a line and says everything south of the line will be expropriated and everything north of the line will not be expropriated.

The farmer to the south of the line is going to get the current market value at the time the Expropriations Act is completed; the farmer to the north of the line is not going to get it. The farmer to the north of the line is going to have to pay this 50 per cent tax in addition to his capital gains tax but his neighbour, beside whom he has been farming for 10 years, 20 years, 50 years, is going to be exempted from it. Does that make any sense, Mr. Chairman?

Mr. Givens: None at all.

Mr. Singer: Surely the Minister of Agriculture should understand that? The Minister of Agriculture has been here when his colleague, the provincial Treasurer, has told us about the sad tales of the White family who happen to have a farm outside the city of London which was just beyond the line. Had the White family farm or the White ancestors only been fortunate enough to have bought something on the other side of the service line, all of the Whites for the next 50 generations would have been multimillionaires. The Treasurer has complained violently about how unfair that has been.

Mr. Breithaupt: And he is a White.

Mr. Singer: Yes, and he's a White. How could it happen to him? I wonder if he has bothered to read through this Act and recognizes that once again government is picking on the White family and they may never be millionaires, any of them, now or forever more. That alone should move the minister to take some kind of action. Much more seriously, Mr. Chairman, if this section is enacted in the way it appears in the revised version of the Act, a great inequity is being done to a very important segment of the Ontario community. It's unfair; it's unreasonable. Therefore I would suggest that the minister, if he is not able to accept the amendment put forward by my colleague from Huron-Bruce, withdraw once again the section and figure out how he is going to look after the farmer. Because if there's any one thing that apparently rides high in the Tory escutcheon is, "We love the farmers and the farmers love us." Well, you are ending the love affair, and maybe we would have been smarter to let you enact this horrible statute into law and antagonize all of the various segments of the population of Ontario and let you try to live with it in the years to come.

We are trying to help you. We are trying to help you and help the people of Ontario, but surely, Mr. Chairman, there is no way in which this iniquitous subsection should become a part of the law of the Province of Ontario in the form in which it is now before us.

Mr. Chairman: The member for Riverdale.

Mr. Renwick: Mr. Chairman, after the moral indignation of my friends on the right

on the question of who is or who is not a speculator, I would like to sort of return to the details of the tax bill as it is before us and propose an amendment which I believe is in line with the policies which the New Democratic Party would like to see carried out. I personally accept, and I think our party accepts, the proposition that the definition of adjusted value including the clause with respect to the 10 per cent compounded annually additional amount which could be added in determining the adjusted value is quite adequate for the purpose of providing the value which will be deducted from the proceeds of sale and will determine ultimately the amount to which the tax is to be paid. Therefore we, in this party, would oppose the amendment proposed by the member for Huron-Bruce.

Mr. Singer: Good, good.

Mr. Renwick: We always like to draw the lines very clearly.

Mr. Singer: Yes, yes.

Mr. Renwick: The grandstand play for the wealthy farmers in the Province of Ontario who may make a million is not a line that we in this party have been particularly interested in.

Mr. R. F. Ruston (Essex-Kent): You don't want a speculator tax anyway.

Mr. Renwick: We are interested in, and our remarks have been directed towards the question of the stabilization of land cost in the Province of Ontario, land prices in the Province of Ontario and the maintenance in the Province of Ontario of land which is in agriculture.

I want to come to what I believe is the fallacy which the minister has fallen into in the way in which the bill was drafted in its initial instance. Last year when we amended the Ontario Succession Duty Act, we passed certain definitions which were designed to relieve from the burden of succession duties farms which were kept in the same family from one generation to another, either by the device of a farming corporation or by transfer to particular members of the family, and that's where the definitions came from. Of course, in the hurry to draft this particular bill and the ministry, operating as it always does in its watertight compartments, was unaware of the fact that the definition of farming, as has been stated before, was quite inadequate.

I think that in itself is a first and fundamental point to which I would like the minister to direct his attention before I come to the amendment which I will propose to the amendment introduced by the member for Huron-Bruce. I would like the minister to tell me why it is not possible at this point in time to use the much more adequate definition of farming and farm which is included in the farm classification advisory committee report. It is obviously a definition which has had care and attention by those who are engaged in farming as distinct from the definition which was made by those who were concerned with something called the Ontario Succession Duty Act and is therefore a definition, as we passed it a year ago, inadequate for the purposes of this particular bill.

The second matter which is of concern to me is the failure anywhere in the bill to determine, when there is a combination of farming and some other activity being carried on, which is the chief source of income. The guidance is usual because this problem arose in the Income Tax Act. I again refer the minister to the provisions on page 48 of Gilmour, which in chapter 7 refers to the problem of determining whether the chief source of income is farming or a combination of farming and some other source.

I think it is quite likely, by the nature of the development of the agricultural community in the Province of Ontario, that you are going to have a number of people who are legitimately engaged in farming and some other occupation, and where the kind of distinction which is required under the Income Tax Act must, of necessity, be made.

And I refer again to the provisions of the Income Tax Act of Canada, which I think he should take into consideration, for the kind of guidance in making the determination where there is more than one occupation by the transferor or members of his family, or by the transferor and the farming corporation into which he may have placed the farming operation belonging to his family.

The policy to which I referred, if I may move on to the other point, is what I took to be the concern expressed by the member for York North during the course of the earlier discussions on this bill in second reading. I thought this was the concern that was expressed by a number of the members of the Conservative Party who are intimately involved in and concerned with farming. It appeared to be arbitrary, conceptually wrong and inconsistent not to permit the passage of farm land from a transferor to a transferee regardless of whether the transferee was related as a member of the family to the transferor.

It seemed to us that the purpose of the bill should provide for the stabilization of land costs and prices, and consistent with that purpose should be a concern by the government to maintain in agricultural use the substantial part of the farming land which is at present in farm use in Ontario. I would suggest that if there is a moral purpose around, the moral purpose is to provide the production, from the land which we have in the Province of Ontario, of the kind of food which is required not only or our own purposes, but also for world purposes.

I find it a little difficult to equate that particular concern, which I consider to be one worthy of some moral indignation, with the kind of moral indignation expressed by the member for Huron-Bruce, the leader of the Liberal Party and the member for Downsview.

What I want to propose—and if my interpretation of the bill is wrong, then I stand to be corrected, because it is quite technical. I want simply to propose that it doesn't matter whether the transferee of farming land is a member of the family of the transferor, or whether the transferee is a farming corporation within the restricted definition as contained in the Act. It would appear to me to make no never-mind for the basic purposes of the bill to provide for the transfer of farm land to persons who may be strangers to the transferee without subjecting them to the tax.

I would like to propose that the wording—I don't claim that it is ideal or adequate—would convey the meaning to the minister that so long as the land is transferred to a transferee for the purpose of enabling the transferee to continue farming the land, it doesn't matter whether that transferee is or is not a member of the family of the transferor or otherwise related, in the sense in which that kind of relationship is important for succession duty purposes, which is a different kind of taxing statute designed for a different purpose.

I would like to propose, and then perhaps comment again upon, this particular amendment, Mr. Chairman, what I am doing is moving a further amendment upon the amendment moved by the member for Huron-Bruce. The wording which I am using is to, in substance, reinstate certain of the wording which the member for Huron-Bruce's amendment has struck out of the bill in order to convey what I want to say.

I want to move that subsection (h) of section 4 be further amended by adding thereto, after the word "disposition" and that is the last word in the amendment proposed by the member for Huron-Bruce—the words "and the disposition of such designated land is for the purpose of enabling the person to whom the disposition is made to carry on farming on the designated land."

I would so move Mr. Chairman. Then I would like to perhaps elucidate, if it needs any further elucidation, the point which I am trying to get across to the minister because I think it deserves consideration.

Mr. Chairman: Does any other member want to speak on this before the—

Hon. Mr. Meen: I would like to hear the hon. member for Riverdale on some clarification on his proposed amendment, Mr. Chairman.

Mr. Chairman: Do you want me to read the amendment?

Mr. Renwick moves that subsection (h) of section 4 be further amended by adding thereto after the word "disposition," the words "and the disposition of such designated lands is for the purpose of enabling the person to whom the disposition is made to carry on farming on the designated land."

Mr. Singer: Mr. Chairman, on a point of order, after the word "disposition," I think should be clarified, because as I understood the member for Riverdale he means the word "disposition" in the amendment moved by the member for Huron-Bruce. Perhaps it should be said there.

Mr. Renwick: Yes, this is the elucidation I wanted to make. The member for Huron-Bruce has moved that subsection (h) of section 4 be amended by adding after the word "transferor" in the second line, the words "in farming, and has been so used by the transferee for a period of 10 consecutive years prior to the disposition."

Those are the words we want to leave in the bill. But following the word "disposition" in the amendment of the member for Huron-Bruce—we accept his striking out of all the other words—we want to reinsert the words "and the disposition of such designated land is for the purpose of enabling the person to whom the disposition is made to carry on farming on the designated land."

Perhaps in my own roundabout way I have got the purpose across to the minister. It seems to me that it makes no never-mind, so long as the land remains in farming, whether the transfer is made to a member of the family of the transferor, to a farming corporation or to a stranger. It makes very

good sense, and seems to be in line with the number of statements made by the ministry with respect to their policy on farming land and that if that situation pertains there should be a complete exemption of that transfer from the particular tax.

That makes a very real distinction between the amendment as proposed on behalf of our party and the amendment proposed by the member for Huron-Bruce, because what the member for Huron-Bruce is saying is that so long as the farm property has been in farming for 10 consecutive years, it doesn't matter who he sells it to. He is entitled to get away with whatever the proceeds may be. I am simply suggesting—and I think it is consistent—that while I am not an expert in mathematics, members of our caucus inform me that 10 per cent compounded as is provided in the additional clause in subsection 1 of section 1 of the bill in the definition of adjusted value, means, for practical purposes a doubling of the value in seven years, together with the additional costs which are permitted in determining the adjusted value.

If that is the case, we want to dissociate ourselves from the amendment by the member for Huron-Bruce but we want to commend to the minister the proposition that it shouldn't matter whether the transferee is or is not a member of the family so long as the disposition is made for the purpose of enabling the person to whom it is made to carry on farming on the designated land.

Hon. Mr. Meen: I find the comments of the member for Riverdale interesting, Mr. Chairman. What he is disregarding, at least in our view, is that it is a sale, even for the purpose of farming—and this is what he is suggesting we do. He recognizes the validity of the retention of farming which I have in the section now and he is suggesting it should be possible for one farmer to sell to another without attraction of any tax, regardless of whether or not they are in the family. It is our view that if an arm's-length transaction takes place by a farmer to another farmer unrelated to him he inevitably will be taking his so-called profits, in that sale.

Mr. Singer: He will be paying capital gains tax on it.

Hon. Mr. Meen: Not if it is kept in farming by this section.

Mr. Singer: He will be paying a capital gains tax to the government of Canada.

Hon. Mr. Meen: He will be paying a federal capital gains tax as does any person in Ontario when he—

Mr. Singer: Right.

Hon. Mr. Meen: —sells any asset, whether he be a farmer or not.

Mrs. Campbell: Except for principal residence.

Hon. Mr. Meen: Yes, except for principal residence.

Mrs. Campbell: Yes, and we will come to that, too.

Hon. Mr. Meen: That includes cottage properties and so on. What I am saying is we do not feel that when a transfer is made from father to son to grandson and so on there should be any dislocation of these roll over provisions to which the member for Riverdale has referred.

I might just touch on that momentarily and observe that if you disregard the allowance to the farmer who tills his own soil of the full amount of his net maintenance costs up to 10 per cent of the base value, it is seven years for the basic 10 per cent per annum cumulative. But if you take into account the further 10 per cent for net maintenance costs which he can charge off against income for income tax purposes—for that matter, with respect to taxes he gets the farm tax rebate cheque—he will still be able to show his basic taxes and all the other things.

From our figures it is clear that it is not very hard for a farm operation to operate with net maintenance costs allowable under the section of upwards of 10 per cent. When you take taxes, mortgage interest, basic repairs, proportionate amounts for light and heat and water referable to the maintenance shop and the like, he can actually wind up with a total effect of 20 per cent—the one 10 per cent figure being cumulative and the other 10 per cent, in reference to net maintenance costs, being non-cumulative — and with a turnaround or doubling effect in not seven years but about 4½ years.

That is pretty attractive. If you add to that the capacity to roll over the title to property from father to son to grandson and so on without attracting any tax, and with each successor in title accumulating the base figures accumulated by his father and his grandfather in the years gone by he can build up a very substantial net worth in that property which would be free of tax altogether.

Coming back to the point made by the member for Riverdale, it is our feeling that when he does eventually sell in an arm's-length transaction to another farmer or to

anyone, he must be assumed to be taking his profits at that time. We don't assume that if it is a non-arm's-length transaction within the family as it has been defined.

The amendment by the member for Huron-Bruce would rule out any possibility of a transaction of family relationship in the ownership of a farm, would require a 10-year ownership for that particular registered owner, and he would have no facilities for a flow-through from father to son, if we were to accept his amendment. I think that anything approaching that kind of amendment would be a travesty and would be a great injustice to the farming community.

Mr. Gaunt: All you have to do is put your family provisions in the amendment and you have it covered.

Hon. Mr. Meen: And actually the member for Riverdale recognizes that; he is just simply taking the next step and saying, "Well, I think as long as it is kept in farming there should be no speculation."

Mr. Gaunt: And there shouldn't.

Hon. Mr. Meen: As far as we are concerned, we see it that if it is sold outside the family, even if it is kept in farming, that it is appropriate that any excess over and above these very generous allowances – and the member for Riverdale concurs that–

Mr. Deacon: Generous allowances contribute to inflation.

Mr. Mr. Meen: –these are very generous allowances to the farming community; far more generous than has been extended in any other quarter.

Mr. Gaunt: The minister missed the point.

Hon. Mr. Meen: Actually, it rather surprises me that the other groups haven't complained at the generous treatment being afforded to the farming community. I am suggesting that they are being well treated, and if the allowances then still do not equate on the basis of roughly 20 per cent per annum increase, free of any tax, and based on a value accumulated to April 9, that perhaps some kind of tax should be attracted when the sale is outside the family. And that's why we have the provisions under 1, sub (1), sub (a), sub (v) under 1(1)(e) and 1(1)(f), the farming corporation; because it is part of the whole picture, too, and we wanted to make sure that it was in the picture so that sales on those transactions would not attract tax either–and then, of course, under 4 sub (h), the basic family farm provision.

Mr. Renwick: Mr. Chairman, just before the adjournment, so that the minister and his advisers perhaps would have an opportunity to think about the problem a little bit more, I am not suggesting for a moment that they are not aware of it, but it seems to me passing strange that commercial properties and industrial properties, other than apartment buildings and so on, should be free and that tourist operations, if they are as designated, should be free of the tax completely and yet not farm property, which is a business operation, a commercial venture.

It seems to me that it should be free if it is sold for farm purposes and it shouldn't matter who it goes to at that point in time. I think it should be completely free and I think that in your laconic way you have expressed it much more clearly than I have. The purpose of my amendment was to say that, exactly, the situation that an arm's-length transaction from farmer to farmer, related or not, in the sense of arm's length, should not be subject to this speculative land tax any more than the considerations which lead you to believe that commercial property and tourist property should be subject to the tax.

And here I think the minister and our party are in agreement–that once it goes out of farming then we have the sensation that the adjustment provisions are adequate to provide a reasonable degree of exemption for practical purposes. If there is a margin then to be taxed, well that's fine, that's kind of in the windfall area of additional properties. We are not in disagreement on that.

But I would ask the minister during the dinner adjournment if he would consider whether there isn't an area in between that he could accept, the kind of amendment which I proposed on behalf of our party for that arm's length farmer-to-farmer transaction.

It being 6 o'clock, p.m., the House took recess.

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LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, MAY 23, 1974

The House resumed at 8 o'clock, p.m.

LAND SPECULATION TAX ACT
(continued)

Mr. Chairman: When we adjourned, the hon. member for Riverdale had the floor on section 4(h).

Mr. J. A. Renwick (Riverdale): Mr. Chairman, as you say, I had just asked the minister whether he would give favourable consideration to the proposed amendment which I moved to the amendment made by the hon. member for Huron-Bruce (Mr. Gaunt). I wonder whether the minister has had any opportunity to speak—

Mr. B. Gilbertson (Algoma): Mr. Chairman.

Mr. Chairman: The hon. member for Algoma.

Mr. Gilbertson: I am sorry to interrupt the hon. member, but I would like to take this opportunity to introduce a school. Grades 7 and 8, I believe it is, from J. McMullin School in the Sault Ste. Marie school system. In the absence of the Minister of Transportation and Communications (Mr. Rhodes) I felt I should bring this to the attention of the members.

Hon. A. K. Meen (Minister of Revenue): Mr. Chairman, I have had a chance to reflect on this over the dinner hour. But I must say to the hon. member, through you, I see no real advantage to doing what he suggests at this time. The amendment would open up the entire picture of sales beyond a family. It would alter the entire picture, which I think is an essential principle of this bill, namely the family farm acknowledgement which we built into clause (h), and the counterparts of the other sections relating to family farms.

Therefore, although I have ruminated on this now for the last couple of hours, I have come to the conclusion that we should not tamper with this provision, clause (h), as it stands. It may be that at some time in the future we could consider this.

I agree with the hon. member for Riverdale that what we're really trying to get at is the speculative sale, or speculative holdings in the eventual realization of a speculative gain. But I think that if we were to take the course of action he has suggested, albeit it's a whale of a lot better than the course of action suggested by the hon. member for Huron-Bruce, it still would bring into significant question the whole matter of the family farm. I think with the provisions that we have for family farms—for the roll-overs, or the 10 per cent per annum cumulator, or the net maintenance cost of 10 per cent non-cumulator; with those three factors combined there is adequate protection, and indeed there is generous protection for the farmer. I think it would be quite unwise and quite improper for us to go any further anl completely exempt any sales, provided, as suggested by the hon. member for Riverdale on behalf of the NDP, they are retained in farming.

Therefore with some reluctance because I recognize what he's getting at, I think I must say, at this time at any rate, I cannot accept his proposed amendment to the amendment.

Mr. Renwick: Mr. Chairman, I perforce must accept the minister's decision on the matter. We will, at some point, divide on that particular subamendment that I proposed to the amendment by the hon. member for Huron-Bruce.

Would the minister help me a little with three or four questions which have been put to me from time to time since this bill has been before the House? One specific question that has been put to me is this whole question of lands being tree-farmed, if I can use that expression, under the Woodlands Improvement Act. My colleague, the hon. member for Timmins—no, Cochrane South (Mr. Ferrier), I always get confused during a federal election as to just what constituency I'm talking about—asked a number of questions at the outset of the estimates of the Ministry of Natural Resources, as to the number of such lots and information about them. The advice he received, as late as May 9 this year, was that there are 3,279 agreements

which have been made under the Woodlands Improvement Act and which are in force at the present time. Of those, some 3,119 are agreements with individual owners. The average size of the parcel of land covered by any of these agreements is 52 acres.

Some 2,343 of them are less than 50 acres; 481 are between 50 and 99 acres; 159 between 100 and 149 acres; 56 between 150 and 199 acres; and 149 over 200 acres. Some 398 of them are for woodlot improvement only; 1,684 are for planting only; and the balance of 1,197 are for woodlot improvement and planting. Then 3,252 of the agreements relate to the land in southern Ontario, and some 27 agreements relate to land in northern Ontario.

There is considerable further information about them. As I understand it, the contracts or agreements with the ministry are for a period of 15 years. There are certain limitations and restrictions imposed on persons who engage in this activity. The owner of the land purchases the trees, but the ministry plants and manages the growth of those trees. It is part of the policy of the government to promote this kind of woodlot improvement, the major part of which is in the southern part of the Province of Ontario. I can't say that my colleague, the member for Thunder Bay (Mr. Stokes), is terribly impressed with the argument that there should be any special arrangement made with respect to those holding land under woodlot agreements.

I have specifically been asked to put the questions to the minister and find out whether or not he would be prepared to extend—and I will rest on his decision, as I don't intend to propose it as a formal amendment—the definition of farm or farming assets to include woodlots and forest lands which are an integral part of a working farm or which are or become subject to an agreement under the Woodlands Improvement Act, or which could be subject to such an agreement and are not disposed of within five years from the date of acquisition.

I put the wording of the amendment, at least I read it into the record because the language along those lines would meet the point of my correspondent. At the same time, the language obviously comes from the farm classification definition of the advisory committee which has been referred to earlier in the debate. Could the minister let me know whether he has any views about the inclusion or non-inclusion as farming property these tree farms, under the Woodlands Improvement Act principally?

Hon. Mr. Meen: Mr. Chairman, I've been approached personally, and others in my ministry have been approached, by people who represent that area of activity. I think it is fair to say that the definition of farming proposed by the farm classification committee would be broad enough to cover that sort of activity. Our definition is taken from the Succession Duty Act, as I mentioned during second reading and when we were on clause (e) itself.

Mr. Renwick: I recognize that.

Hon. Mr. Meen: It is kind of iffy when you get into the whole question of tree farming. I would expect that without much difficulty one could include Christmas tree farming within our definition of tillage of the soil. But when one gets into the broader characteristics and categories of raising trees and forestry generally, I would think the definition which I've incorporated in clause (e) of section 11 is not broad enough to cover that.

This brings me to a point I wanted to touch on about the definition of farming and the reference made by some of our colleagues before dinner as to the definition which was suggested by the committee.

The difficulty with that definition—and it certainly would be broad enough—is that it is tremendously broad. Someone made a comment before dinner that you could have a couple of bees on a bee farm, or apiary, and perhaps qualify under the definition that I have in the bill now. But if they think that is broad, I think they should take a look at the definition that is proposed by the committee. Although it is nice and broad, implicit in that breadth of definition—and I see the hon. member has a copy of that report in front of him, so perhaps I could read from notes that I have as to a summary. These words may not appear precisely in that report, but on the other hand they may. The recommendations that are contained in that report can be summarized under a number of headings, and I don't need to refer to all of them. The first is that a system of classification is feasible, they say. Then they say, as the second item:

> Farm land be deemed to mean and to include the soil, whether mineral or organic, the attachments, whether attached by the course of nature, as trees [and that would cover the point made by the member for Riverdale] herbage and water, or

by the hand of man, as buildings and fences, either solely or in conjunction with each other, used, or capable of being used, for the production of plants and animals useful to man, including the farm home. The attachments aforesaid being so connected to the soil that by rules or law they pass by a conveyance of the land.

Now that's a very broad definition, and it's implicit in that definition that a number of the other recommendations of the farm classification advisory committee would also be adopted. For example, item 3:

Farm lands be classified into five classifications — agricultural, agricultural-residential, rural-residential, rural-recreational and rural-speculative. [And item 4:] A farm index be established and maintained for all farm land and that an index form be made available to all owners and lessees of farm land for completion and return. The index be programmed for computer use for the development and carrying out of specific agricultural policies and be in the form set out in schedule A.

They go on with a total of eight more various criteria. But those first three or four are, to my mind, the essential ingredients, particularly that a farm index be established.

As I mentioned earlier, the Ministry of Agriculture and Food is studying this report, but at this moment we have no position from it yet as to whether it would be practical to adopt these recommendations. If the Ministry of Agriculture and Food should recommend, and if it should become government policy that we adopt this body of recommendations, and the farm index be then established, it would then be appropriate for me and my ministry—and I would think there might well be other ministries involved in this—to take a look at the definition, in this case in clause (e) of what constitutes a farm, or what constitutes farming as under clause (e). If that were the case, then something along the lines indicated by the member for Riverdale with respect to tree farming might be appropriate.

There are other areas, too, in which I think one might question the efficacy of this farming definition. It might be considered to be too broad in some instances and in other ways it might be classed as being too narrow.

In any event, I was asked before dinner what was my justification for this particular definition; I would repeat what I said during the debate on second reading, namely that I think it came from our definition in the Succession Duty Act. It was section 17 subsection 1(a) of the Succession Duty Act from which that section has been taken. Until such time as I have something more definitive from the Ministry of Agriculture and Food as to its adoption of the farm classification report and its recommendations, including the matter of the farm index, then I think I must stick with the definition that we are presently using as adapted from the Succession Duty Act.

The areas such as tree farming, therefore, to answer specifically the question by the member for Riverdale, in my opinion would not be covered.

Mr. Renwick: Mr. Chairman, I think the minister's synoptic statement about the farm classification study perhaps does a little less justice to it. I think one of the principal limiting criteria in the definition of farm land, as contained in that report, is the limitation to principal activity. Then there is a definition or a statement with respect to the principal activity as being such-and-such an activity. Then there is a list, not in an all inclusive sense, but item by item, of various areas.

I don't know whether the minister has a particular favourite in the member for Algoma, Mr. Chairman, but for example maple products would not appear to me to come under the definition. At the same time, it would appear quite proper that the activity in which he is engaged should perhaps be included in the Act. If you are a friend of his, perhaps the Act should be broadened to include maple products, as in the case in this farm classification list. There are other examples about that, and I don't intend to belabour it.

Hon. Mr. Meen: Food.

Mr. Renwick: I think the other point on which the minister is perhaps a little less than understanding about the report is that of the principal definition, the definition of "agricultural" among the five classifications to which he referred. The "agricultural" one is the basic, fundamental definition. The "agricultural-residential," "rural-residential," "rural-recreational" and "rural-speculative," are but adumbrations grafted onto the original and basic definition of it. I suppose there is not a great deal of point in pursuing it further.

The other matter I raised before dinner was the question involved in this principal activity operation, and whether or not a person could have a chief source of income which is either farming or a combination of

farming and some other source. In a sense he should be free from the kind of tax which the minister is imposing with respect to the carrying on of farming. My question specifically is in the definition of farming, and in the definition of those who would be entitled to the exemption provided in section 4(h), does this connote that it must be something called a full-time occupation, or does it envisage that either the transferor, as defined in the technical sense, or members of his family, or the farming corporation, should be engaged solely in the business of farming?

Hon. Mr. Meen: No, I don't think that is the intention, Mr. Chairman. I would say that it is simply the principal activity that would be adequate.

Mr. Chairman: The hon. member for Kent (Mr. Spence). You weren't on your feet. Anybody else?

Mr. M. Gaunt (Huron-Bruce): Mr. Chairman, I just wanted to respond to some of the remarks made by the minister before dinner and one remark made by my friend the member for Riverdale.

First of all let me deal with that one. He was talking about the matter of preserving farm land, and the fact that in his judgement it was a moral question and one which should be dealt with on that basis.

As far as I am concerned, and as far as our party is concerned, we subscribe to the philosophy that farm land should be preserved, where at all possible, for farming purposes; because obviously we are losing good farm land at an alarming rate in this province. If this trend continues we are going to end up in the position where we are not going to have enough good farm land to feed our own people, which is an ironic situation in a country and on a continent which is normally considered the bread-basket of the world. So I don't think there is any question about the matter of preserving good agricultural land. I agree with it, and I know my party agrees with it.

The rub comes in the fact that it is not always possible to preserve it. For instance, where you have a rapidly growing city surrounded almost entirely by good agricultural land, it is pretty obvious under those circumstances, that given our conditions today—unless we change the whole emphasis and move into areas that we haven't moved into heretofore insofar as legislative action is concerned, the only place a city can grow is on good agricultural land. And while it should be preserved where possible, there are instances where this land cannot be preserved. This is what I had in mind when I drew up the amendment.

Granted the amendment is far from perfect, I would be the first to admit it, but I think the minister knows what we are trying to accomplish.

The hon. members can do anything with that amendment. They can put it on a graduated scale. They can say: "Okay, sales within the family are exempt from the 10-year provision and are exempt without any strings attached." They can put the matter on a basis where the tax is applied for the first five years and then they can put it on a graduated scale of, say, 20 per cent for each year thereafter. They can do any number of things with it.

All we are saying is that, in our view, farming should be exempt from this tax. And our basis for saying this is that a farmer is not a speculator. He's an investor, at least for the most part. The person who is a bona fide farmer should not, in my view, be subject to this tax. I think under certain conditions, however, he will be subject to this tax.

My friend, the member for Riverdale makes the point that he is not interested in providing $1 million to some farmer out near London, or out near Toronto, or near any big city I suppose. I can see his point, but the fact of the matter is that farmers for many years have not received the remuneration to which they are entitled. They have gone on living on their depreciation for years and years in many cases. Most farmers—not all—but most farmers consider that when they sell their land they really are, in effect, selling their pension plans. They've lived poorly, but presumably will die rich in some cases.

I think the philosophy, if you like, behind the amendment which I proposed, was the fact that even if the farmer were sold out of farming, and sold for what might be considered a very effective price, that price would represent the loss in earning power of that farmer over the period of his lifetime while he was engaged in farming.

Whether the hon. members accept this philosophy or not I think the amendment still has validity. I say to the minister that he can do a number of things with it. If he is concerned about the fact the amendment may, under certain circumstances, preclude members from selling within the family and therefore work to their detriment, well then he can throw that in. He can say that sales within the family are exempt from the 10-year provision.

Really, I'm not concerned how the minister handles it. I'm just concerned that farmers should be exempt and not incur tax under this particular bill.

Hon. Mr. Meen: I think it has all been said, Mr. Chairman, but I feel bound to repeat that that's precisely what we are saying. We are saying that sales within the family should, indeed, be free of tax, and there should be the continued roll-over provisions which we are building right into this section.

Mr. Gaunt: The minister was complaining about my amendment.

Hon. Mr. Meen: Yes.

Mr. Gaunt: And the minister can tack it onto the end of my amendment.

Hon. Mr. Meen: That amendment by the hon. member for Huron-Bruce would cut everything off at a particular time and it would then start over again and you would be in another 10-year period. You would wind up with the young farmers—young men — and it may even have been the member for Huron-Bruce who commented the other day that the average age of farmers was well up into the 50s today and we are not getting young people coming into farming—well how on earth are we ever going to get them in if this kind of thing, a sale outside the family, can be allowed to occur and thereby generate the higher and higher prices that they would have to pay? We want to discourage that kind of thing.

I am saying to the hon. member, his amendment would accomplish just that by allowing each farmer along the line to take his speculative profit as he went along. We are saying no sir; we want to see that farms, of course, are kept in farming, but we want to see them kept in the family farm.

Otherwise, once the sale is taken outside, we have to recognize that—and we are; we are facing up to the fact—that a sale by a farmer and at an arm's length transaction to another farmer will undoubtedly, somehow or other, reflect the gain that farmer considers he has enjoyed or achieved over the years in which he has held the farm since April 9. Therefore, although I recognize what the member is getting at I have to reject it; and, by the same token, as I expressed earlier, also reject the supplementary amendment by the member for Riverdale.

Mr. Renwick: Mr. Chairman, all I am going to say is we will, of course, support our amendment and we'll oppose the Liberal amendment.

Mr. Chairman: Are you ready for the amendment?

Mr. V. M. Singer (Downsview): Oh, no. No, I couldn't resist having a go at my colleague the member for Riverdale—who interestingly enough says we'll oppose the Liberal amendment—it was interesting to note the phraseology of his amendment, where he had tacked it on to the back of the amendment posed by my learned friend from Huron-Bruce and therefore implied, as he posed it, that he accepted it.

My friend the member for Riverdale gets so fatuous in his arguments from time to time, and he opposes often just for the sake of opposing. He knows exactly what he is doing in this and he thinks he is being very cute because the NDP are embarrassed that they made a great—

Mr. Renwick: I won't let him provoke me tonight.

Mr. Singer: The very voluble member for Ottawa Centre (Mr. Cassidy), who was very concerned about the Liberal attitude on this bill, doesn't happen to be here through 90 per cent of these debates. I don't know whether he has wooed the member for Riverdale or not, but the member for Riverdale is now paying lip service to the specious theory put forward by the member for Ottawa Centre.

However, the facts speak for themselves. The member for Riverdale is not a dumb member or a stupid member, and the fact that he chose to phrase his amendment in the way that he did, and to tack it on the eminently sensible amendment put forward by my colleague the member for Huron-Bruce, indicates, even though his words would signify otherwise, that he is in fact supporting the great good sense put forward by my colleague from Huron-Bruce.

Mr. Renwick: You just watch when I stand and when I sit.

Mr. Singer: Insofar as what is at issue here, Mr. Chairman, I am impressed by the fact that you managed to continue to occupy that seat during the course of this debate on this particular section of this Act, because I did listen to you very carefully as you rose in your seat, and I know where your sentiments lie. I am surprised at some of your colleagues, particularly the Minister of Agriculture and Food (Mr. Stewart), who

appears so engrossed now in transcripts of the debates or some other very important and learned document that he is perusing—

Hon. A. Grossman (Provincial Secretary for Resources Development): He is reading a letter from you.

Mr. Singer: —and is not prepared to stand in his place and support the farmers of Ontario against the ravages imposed upon them by the Minister of Revenue. I say shame on the Minister of Agriculture and Food, who should be the foremost in espousing the cause of the farmers.

An hon. member: Leave that to Whelan.

Mr. Singer: This proposal makes no sense. There is just no way in which we can support the minister. The thought put forward by the member for Riverdale does have an increased dimension to some of the thinking put forward by my colleagues. Therefore, we are going to support his amendment and ours, and I would think the member for Riverdale, if he has any good conscience still left about him, will do only the proper thing and act as he has worded his amendment and support the Liberal amendment as well.

Mr. Renwick: I am not provoked.

Mr. Chairman: Ready for the amendment?

Hon. Mr. Meen: I am not convinced.

Mr. Chairman: It was moved by Mr. Gaunt as an amendment to Bill 25, that clause (h) of section 4 be amended by adding after the word "transferor" in the second line, "in farming, as being so used by the transferor for a period of 10 consecutive years prior to the disposition," and by striking out all other following words in the subsection.

Mr. Renwick's amendment to the amendment is that clause (h), I think it's supposed to be, rather than (l), of section 4 be further amended by adding thereto after the word "disposition" the words, "and the disposition of such designated land is for the purpose of enabling the persons to whom the disposition is made to carry on farming in the designated lands."

I guess the proper procedure is to put the amendment to the amendment first. All those in favour of the amendment to the amendment please say "aye." All opposed please say "nay." In my opinion the "nays" have it.

Mr. Singer: Oh no—that the amendment be further amended. You noted those words that you wrote with your own hand.

Mr. Chairman: Can we stack this and deal with—

Mr. Singer: No, no stacking.

An hon. member: This is ridiculous.

Mr. Singer: It is a ridiculous bill. For every section there is going to be a division.

Mrs. M. Campbell (St. George): It is a ridiculous bill and you are going to find out about it.

Interjections by hon. members.

Mr. Chairman: Call in the members.

Order please.

The question to be decided is the motion of Mr. Renwick, the member for Riverdale, that section 4(h) be further amended by adding thereto after the word "disposition" the words "and the disposition of such designated lands is for the purpose of enabling the person to whom the disposition is made to carry on farming in the designated land."

Mr. Singer: Mr. Chairman, on a point of order, I think—and we made this point a little earlier—the word disposition referred to by the hon. member for Riverdale is the word disposition in the amendment as moved by the hon. member for Huron-Bruce. I think the motion should read that way. I think that was the intent of the member for Riverdale.

Mr. Renwick: I would be quite happy either to consent to it or to accept your sub-amendment. You could ring the bells again if you had to!

Mr. Singer: It is your request. I wouldn't want to amend your sub-amendment.

The committee divided on Mr. Renwick's amendment to section 4(h), which was negatived on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 24, the "nays" 38.

Mr. Chairman: I declare the subamendment lost. Do you want to take the same vote on the amendment?

Mr. S. Lewis (Scarborough West): Mr. Chairman, a member entered the door between the end of the first vote and the beginning of this vote, and I think that member should be allowed, therefore, to vote.

An hon. member: No way.

Mr. T. P. Reid (Rainy River): He is voting against the member for Scarborough West anyway.

Mr. Chairman: There is a vote called. As far as I am concerned I didn't see the member enter the door.

Mr. Lewis: He walked right through the centre doors in between the votes.

The committee divided on Mr. Gaunt's motion that section 4(h) be amended by adding after the word "transferor" in the second line "in farming and has been so used by the transferor for a period of 10 consecutive years prior to the disposition," and by striking out all the following words in the subsection; which was negatived on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 12, the "nays" 50.

Mr. Chairman: I declare the amendment lost and sections 1, subsection 1(a), section 5(1) clauses (e) and (f) and section 4(h) carried.

Section 4 agreed to.

On section 5.

Mr. Chairman: On section 5?

Mr. Singer: No, what about section 4 clause (i)?

Mr. Chairman: That has just been carried.

Mr. Singer: You haven't done section 4(i) have you?

Mr. J. R. Breithaupt (Kitchener): The clauses that have been added, section 4(i) and clauses (j), which were the old clauses (a) and (b).

Mr. Chairman: They were dealt with and carried.

Mr. Breithaupt: No. I am simply inquiring, I was not aware, Mr. Chairman, that they had been attended to. These were from the former Act and were clauses (a) and (b) of section 4.

Hon. Mr. Meen: That is correct, Mr. Chairman, the vote was taken on that, I think Tuesday afternoon just when we commenced the proceedings.

Mr. Chairman: On section 5 of the bill.

Mr. Breithaupt: The section is completed then?

Mr. Chairman: Yes, completed.

On section 5?

Mr. Singer: Yes, section 5(l) is the first one I want to talk about. Section 5(l):

> Every tax imposed upon designated land by this Act is, until paid, a special lien in favour of Her Majesty in right of Ontario upon the designated land and has complete priority [and this is where I think we get into a little trouble] over every claim, privilege, lien, encumbrance, right, title or interest of any person that arose or came into existence as a part of or subsequent to the disposition of the designated land, as a result of which the tax was imposed on the designated land [up to that point, it's fine] and such special lien has priority over every execution in the hands of any sheriff or other officer that affects the designated land, whether the designated land was subject to the execution before or after the disposition of the designated land.

Why should the section be so worded that the lien takes precedence over an execution by the sheriff—and an execution, as the minister well knows, is the result of a court decision which allows the execution to issue and to be filed with the sheriff—why should the lien take precedence over an execution which came into existence before the lien arose? It just makes no sense to me. If an execution creditor has established a right before in fact the disposition took place, and something takes place afterwards, why should Her Majesty the Queen, in the right of the Province of Ontario, be allowed to step in ahead of an established right of an execution creditor?

Hon. Mr. Meen: Mr. Chairman, the reason is that the execution creditor has the opportunity to collect on his execution at the time the property is disposed of. Therefore, it seems appropriate that with that right arising at the time of the sale and the lien only arising on the completion of that sale, the execution creditor who has filed his execution will have been paid off ahead of time. In any event, it's identical to section 6(1)—

Mr. Singer: Ah, come on.

Hon. Mr. Meen: —of the Land Transfer Tax Act and other taxing statutes that we have dealing with real estate.

Mr. Singer: No, I lose the minister completely. The execution creditor, if I understood the minister correctly, has the right to collect at the time of the disposition. Now

it may be that there are no proceeds of the disposition. The right of filing an execution is to have a judgement running against the land and is to warn subsequent people they take the land subject to that execution. You cannot, as the minister knows, compel a sale of a piece of real estate until after three years, and the difficulty in collecting can be very substantial.

I can see no reason, no matter what other statutes you may have it in and no matter what other reference you may make to it, why you should take away the priority which an execution creditor established in advance of the disposition, in advance of the passing of this Act, and say that the Crown steps in ahead of that execution creditor.

Hon. Mr. Meen: Mr. Chairman, there is one factor that I think should be emphasized and that is that the Crown has priority over executions anywhere, and so inasmuch as it does I think it's appropriate we should spell it out here so that the people involved in dealing with this Act will know, if they don't happen to know, that the Crown does have priority. What we are saying in the guts of this section, which is what the member for Downsview has already referred to, namely is that we are not imposing this execution except, and I underscored it in my copy of it, in priority to any "lien, encumbrance, right, title or interest of any person that arose or came into existence as part of or subsequent to the disposition of the designated land." So what we are saying in the latter part is that the Crown has priority and we are preserving that priority and making sure that everybody can see it there in the Act.

Mr. Singer: No, but that's not it, that's not it. What I object to is the last 2½ sentences of the subsection– "whether the designated land was subject to the execution before or after the disposition of the designated land." If I had gone through the legal processes necessary to become an execution creditor against Blackacre, and I have that judgement and I have registered it with the sheriff, and suddenly an event takes place over which I have no control whatsoever and Her Majesty the Queen comes to the conclusion that she has a lien and/or a right to pay the payment of tax—which are not exactly the same thing, as we are going to develop a little later—why should my right be taken away? It's quite conceivable, if there are all sorts of other encumbrances and if I am shoved down the ladder and lose my position through no fault of my own, that the value of my writ of execution is completely destroyed.

Why do you need the words "before or"? Why don't you delete the words "before or," in the second last line of the section, and say that after the disposition, when your right arises, then you have the priority?

Hon. Mr. Meen: No. Mr. Chairman, the point is we are trying to protect the prior encumbrance and so we refer to that as being a specific exemption. But otherwise we are spelling out precisely what the law is, that the Crown has priority over all other execution creditors, whether before or after, so we are simply saying so.

Mr. Singer: Why should you protect the prior encumbrance and not protect a prior execution creditor? I don't think it is fair, I don't think it is reasonable and I don't think it is just. I think what you are giving the Crown here is an ability to override any individual rights. It is completely unreasonably and irrational.

Mr. Renwick: Mr. Chairman, for what it is worth, I think the member for Downsview's argument is unanswerable. I don't see why you can pick and choose between executions. I would also draw to your attention, of course, that you have left out writs of extent which may be in the hands of the sheriff against the lands as well.

Mr. Chairman: The member for High Park.

Mr. M. Shulman (High Park): Is the minister going to answer before I speak?

Hon. Mr. Meen: No.

Mr. Shulman: You are not going to answer? How can you not answer? Well all right.

Mrs. Campbell: The member for Riverdale just said it was unanswerable.

Mr. Shulman: Okay. I'm not a lawyer, unfortunately, but even I follow the logic of the member for Downsview, and I can't see why the minister doesn't. However, I want to ask something in a more simple vein, if I may, not quite understanding this.

It says here: "Every tax imposed upon designated land by this Act is, until paid, a special lien." Now as I understand it, if I sell a piece of land to someone else and you feel you should get your end of it, your 20 pieces of whatever, and if you don't get it, you can then put a lien on it and have the

land subsequently sold. But aren't you then catching the wrong guy? Aren't you catching the fellow who bought the land instead of the fellow who sold it? Am I confused, or are you penalizing the wrong person again?

Hon. Mr. Meen: The lien arises at the time of the transaction, Mr. Chairman. It isn't necessarily put on. The lien arises by statute, unless certain prescribed actions are taken by the parties in order to protect themselves against the lien, either the satisfaction of the ministry as to the amount of tax payable and some security being given and a release therefor being endorsed upon the document, or the completion of statutorily required affidavits which would automatically release the lien. These various steps that are taken will mitigate against the arising of the lien. But failure to do that creates the lien, which then attaches to the property.

Mr. Shulman: Let me get this quite straight then. What you are saying is that at the time of sale the person who is buying it has to make sure that the person who has sold it has paid you his tax. Holy smoke, do you realize the tremendous amount of extra paperwork you are getting into? This means that in every sale that goes through in the Province of Ontario from here on in, you are going to have to go through that exercise. Have you any estimate of what the cost of that's going to be? It's great for the lawyers again. No estimate? No idea?

Hon. Mr. Meen: No, that's not what I said.

Mr. Shulman: What did you say?

Hon. Mr. Meen: I said I don't think it will be great for the lawyers in that sense of imposing a great workload on the lawyers.

Mr. Singer: The 1,500 who were there yesterday didn't think it was great for them either.

Hon. Mr. Meen: Subsection (3) is a saving provision which the members might want to look at. It protects the innocent purchaser of land from a lien where the appropriate affidavit identifying the land is attached to the document. I don't have any statistics but I would figure that nine out of 10, possibly 95 out of 100, transactions would fall within that section, and it would be a comparatively small percentage of the total number of transactions that would have to come to the ministry for some special attention.

Mr. Shulman: I see. So, in other words, if I'm buying the property and I have an affidavit from the person who is selling the property that he has paid the tax, that's all that's necessary?

Hon. Mr. Meen: No, not necessarily. If you have an affidavit that he has complied with certain sections of the Act, or if you have a release from the ministry—if he has produced that in other words—then yes, there would be no lien. In other words, you, the purchaser, would be clear of any liability for that tax. If it should turn out at a later time that the affidavit was falsely sworn, or that incorrect evidence had been provided to the ministry, and steps had been taken that thereby relieved the title of the lien and thereby relieved the purchaser of any obligation to see that money paid, that does not mean the money is not still recoverable from the person who filed the false affidavit or provided the incomplete information to the ministry, but it does remove the lien, and that's what we're talking about under section 5.

Mr. Shulman: Well wait a minute, I want to make sure I quite understand what you are saying. In case you later find that the information was not proper, is there any responsibility on the purchaser, the person who bought it? He is clean?

Hon. Mr. Meen: Yes. Unless, of course, he has been party to this by way of a collusive action, which is covered under section 6. But subject to his being in a collusive relationship to the transferor, yes, he is clean.

Mr. Shulman: Then let me get this quite straight. What exactly do I have to do, if I am buying a property, to make sure I am not going to get it in the neck four years from now when you people decide you want a lien?

Hon Mr. Meen: I would suggest you retain a good lawyer.

Mr. Shulman: Ah, I thought it was more legal work. Tell me, what does the lawyer have to do? They can get a little confused too. They are phoning me, and that worries me.

Hon. Mr. Meen: Yes, I think so.

Mr. Shulman: What does the lawyer have to do to make sure—

Mr. Singer: You could ask Mr. Stephenson, who was advising the lawyers yesterday.

Mr. Shulman: Let's try it again, and do it very slowly, because I am a little confused with this bill, I'm sorry to say. What does the lawyer have to do to make sure I don't run into trouble four years hence when you people decide that you didn't get as much money as you properly should? How can I be sure? I gather that an affidavit is not sufficient. Do we need something from your department?

Hon. Mr. Meen: No. Mr. Chairman, let me just repeat—

Mr. Shulman: Try it again.

Hon. Mr. Meen: In about 95 per cent of the cases an affidavit in the form prescribed will completely wipe out the lien and any obligation on the purchaser. It will clear the title. There will be no cloud on the title. A purchaser can take it and sleep at night, and his solicitor can transfer it to him.

Mr. Shulman: How do we know which is the five per cent?

Hon. Mr. Meen: In the other five per cent, where the grantor, the transferor, can't give such an affidavit, for whatever reason, it is still going to be incumbent upon the solicitor acting for the purchaser to see that a lien clearance certificate is then available, attached to the document or registered on title. It will be in those five per cent of cases in which my ministry will be involved in determining the original price, the difference between the two, the amount of tax, and determining on what basis that tax is going to be paid.

Mr. Singer: By that time the transferor's gone.

Hon. Mr. Meen: The transferor—

Mr. Singer: He's gone. He's in Venezuela, probably.

Mrs. Campbell: If he's got a brain in his head he will get out of the country.

Hon. Mr. Meen: The transferor will give the ministry an undertaking to pay the tax out of the proceeds. On that basis the ministry might very well give a release of that lien to the transferor's solicitor for delivery to the solicitor for the purchaser. In one way or the other, the solicitor will see on completion of the transaction that the lien has been cleared.

This is unusual in the sense that this is a new piece of legislation, but the practice of lien clearance certificates is not new or novel to the legal profession. For years lawyers have had to obtain this kind of clearance certificate with respect to corporation tax, they have had to obtain this sort of thing with respect to the retail sales tax, all of these things. We have this additional one now with respect to the land speculation tax. So it is not new, it is just an additional item the profession will be required to obtain a clearance for at the time they complete the transaction.

Mr. Shulman: Will you assist me a little further? I am almost finished; I am trying to get my brain unfogged on this one. If it involves five per cent of the transactions in the province, I'm trying to figure how many this would be. Does the minister have any idea how many transactions there are in the province in a year? Are there a mililon?

Hon. Mr. Meen: No, I would be speculating. I don't know.

Mr. Shulman: Can the member for Downsview assist me?

Mr. Breithaupt: Let's say a million.

Mr. Shulman: A million? Well, if it is only five per cent it means there are only going to be 50,000 occasions in which your department is approached to do this type of investigation. Has it entered your mind that perhaps you may have a manpower problem and there may not be enough people in government to do all this investigating?

Hon. Mr. Meen: Yes, I realize we may need some staff for this.

Mr. Shulman: About 50,000.

Hon. Mr. Meen: As I told the hon. members when we were debating this on second reading, my assessment department will have staff available, so will the succession duty officer. They are all skilled in determining real estate values and it will not take long, I venture to say, before they will be skilled in determining the amount of tax that will be payable in processing these applications for lien clearance.

Mr. Shulman: Thank you very much. Can you just assist me for one further moment? Approximately how long do you think it will take to process one application? Can it be done in a day? Or an hour? Or five minutes? Could you give me any assistance on that?

Hon. Mr. Meen: I guess some could be very speedily despatched.

Mr. Shulman: An average one?

Hon. Mr. Meen: This is going to be one of these things in which, I guess, experience will speed things along. Conceivably, if all the documentation were not provided or further supporting material were required, with exchange of correspondence if this came in by mail rather than personal delivery, the turnaround time on something like this, I suppose, could get up to a couple of weeks.

Mr. Singer: A couple of weeks for an evaluation?

Hon. Mr. Meen: I would like to think that when the legal profession is accustomed to the Act and accustomed to the requirements and can submit to my ministry the necessary documentation—and of course our staff becoming more experienced with it will be able to handle it quickly—I would hope the turnaround time could be much faster than that

In the old days when we required corporation tax clearance certificates—I can think back to the 1950s—it used to take a week to two weeks to get a corporation tax clearance certificate from the provincial department. But latterly, I am told, through mechanization the comptroller of revenue, that particular end of my ministry, is able to handle that kind of thing very much more speedily. I would think that as experience grows we will be able to have a much quicker turnaround time in this end of things too, provided the profession provides the staff with the necessary information on the first shot.

If a solicitor were in a rush to get a clearance certificate on a piece of property and brought the documentation in in the same way as he would to the corporation tax office and the succession duty office, we'll act very quickly in the case of an emergency when a clearance certificate has to be issued quickly or when a consent under the Succession Duty Act has to be issued. I would think that likewise in this area of activity we would be able to give the profession pretty speedy service.

Mr. Shulman: I see. I want to pursue this just for a moment. Let's suppose we have everything perfect. I'm the lawyer, I do everything right and I bring all the papers into your people's office at 9 in the morning. Everything goes well and there are no hitches; how long should it take before it's back in my hands?

Mr. B. Newman (Windsor-Walkerville): What year is this?

Hon. Mr. Meen: That's a hypothetical question.

Mr. Shulman: Would it take an hour?

Hon. Mr. Meen: It might.

Mr. Shulman: Would it take more? Would it be fair to say it would take at least an hour?

Interjection by an hon. member.

Mr. Shulman: All right. Let us suppose your people are really fantastically great and it takes only an hour for one of them to do this. From my friend to the right I gather this is being rather optimistic, but let's suppose—

Mr. Singer: Suppose you are one of the five per cent and they are suspicious and they don't accept your assessment—what then?

Mr. Shulman: Let's put it this way. If there are a million transactions in the province a year, and I'm told there are more, that means 50,000 a year are going to come to you people. There are 300 working days in a year.

Hon. Mr. Meen: It's 1,000 a week.

Mr. Shulman: Pardon?

Hon. Mr. Meen: It's 1,000 a week.

Mr. Shulman: One thousand a week?

Mr. Breithaupt: Two hundred working days.

Mr. Shulman: Two hundred working days! Okay; 1,000 a week; that means 1,000 hours, if everything is perfect—

An hon. member: Two thousand working hours a week.

Hon. Mr. Meen: No, that is not what the member said.

Mr. Shulman: I am asking how long it will take one of your—what I am asking you is if you put one of your perfect workers who doesn't make mistakes onto it and he does everything perectly, how long does it take him from the time he gets the application in his hands, working until he is finished? Can he do it in an hour?

Mr. J. Riddell (Huron): They will have have to be a lot different from the ones I normally get.

Mr. Shulman: I suggest to you it will take at least an hour. I suggest you are going to need a whole new building to house the people you will have to have just to do this one aspect of this particular subsection of this particular section of this particular silly bill.

As we go on, section by section—I'm not a lawyer; I'd be the first to admit I'm the rankest amateur in this—looking at it as an amateur, I don't even have to read it ahead of time. In each section, as the member for Downsview points out the technical errors, I read it and look at the commonsense errors. He's right that you are wrong on the technical aspects and it's obvious to me that you haven't considered the implications of what is involved.

You are going to be the biggest employer in the province. You are going to solve the whole unemployment problem all by yourself. The Treasurer (Mr. White) will be able to get up in the House and say Ontario has the lowest unemployment rate; they are all working for the Minister of Revenue, they are all trying to figure out what is going on in this bill. It boggles my mind that you haven't considered all the implications and the huge staff you are going to need. This is if everything works all right.

The other aspect, which we haven't even talked about, is what happens to all these deals which are going to be held up? Or rather, what happens to the deals which don't go through because they are being held up?

Hon. Mr. Meen: I think the member really is exaggerating a situation. Certainly we will need more staff, but the one thing you can't equate or try to average is the time involved in dealing with these transactions.

Mr. Shulman: That's what worries me.

Hon. Mr. Meen: I would suppose that many of them could be dealt with in just a few minutes each. Then there are going to be others in which an assessor in the area may be instructed by teletype to go take a look at a certain piece of property.

Mr. Shulman: Boy, are you going to need a lot of assessors.

Hon. Mr. Meen: We've got them all through the province now.

At any rate he may be familiar with the property. He may be able to teletype back his own personal information from his records in the local office; or if he is not current with the situation he might very well go out and take a look at a farm and see whether the new farm building that is alleged in the affidavit to have been built is in fact there.

Mr. Singer: Fifty-six King St. W. is now worth $34,000; he just tells it like it is, brilliant. That subjective and casual opinion is supposed to be definitive.

Hon. Mr. Meen: This is the kind of situation, of course, where it might take a few days to get an answer back to the ministry. But that doesn't mean the assessor has occupied several days of his time doing that. He will be doing this in the normal course of his other duties. Then, eventually, the results will come back to the ministry.

Mrs. Campbell: You have to be kidding.

Hon. Mr. Meen: I think the hon. member is not developing a proper case for the time factor per item in dealing with this. Certainly he may have 500 a week or 1,000 a week on the average to deal with, but I think they can be handled within the ministry.

Mr. Shulman: I'll wager you will spend more money in your budget next year just looking after this section than you collect in tax.

Interjection by an hon. member.

Mr. Chairman: The hon. member for Kitchener.

Mr. Breithaupt: I would add a comment to those that have been made by the member for High Park. I would only add two things.

The first is that when this matter is equated to the corporation tax clearances we receive as lawyers now, this procedure has been speeded up because the letter that one sends in is returned with a rubber stamp on it saying those corporations are clear in the ordinary case. On the other hand, those of us who have attempted to obtain valuations from appraisers or real estate persons—who indeed go into the matter in depth and visit the property and take photographs and check the adjoining titles to lands and check the tax records and whatever—we wait two weeks on the average before we can possibly get a report.

Mr. Singer: Two weeks! You can't get a competent evaluation under two months.

Mr. Breithaupt: I simply put it to the member for High Park that you have one which is a turnabout with a rubber stamp—

Interjection by an hon. member.

Mr. Breithaupt: –the other that will take between two weeks and a month. Decide as you wish as to where these will fall.

Mr. Singer: Mr. Chairman–

Mr. Chairman: The member for Downsview.

Mr. Singer: I am rather puzzled about the–

Mr. Breithaupt: You are never puzzled.

Mr. Singer: –exchange between the minister and the member for High Park. It just boggles my mind as to how this thing is possibly going to work. Are you suggesting for instance, that I am one of your civil servants, and suddenly I see coming through a series of papers involving the sales of Arthur Meen's house.

Interjection by an hon. member.

Mr. Singer: I say, oh I know Arthur Meen, he lives in North York; I went by his house the other day and that is worth exactly $61,235.50. The affidavits indicate that; therefore we will give him a clearance.

Are you suggesting that kind of process is possible in dealing with real estate in Metropolitan Toronto? Because if you are I don't believe it. I don't believe it at all. I don't see how you are going to get any kind of reasonable assessment. When you look at section 5(2) once the certificate issues, if it is a valid certificate, everything is over; it ends.

How do you distinguish between the 95 per cent of valid ones where you give clearance and the five per cent of suspicious ones where you don't? One of the things that arose out of this meeting yesterday was the comment of one lawyer who said: "I was faced with this. I had to get the deal closed and I called up my friend the real estate agent in my town and said: 'Joe, you know that house up the street. Would you say it is worth X dollars now and X dollars before?' Joe said: 'Sure.' I said, 'Joe, will you give me a letter on your letterhead saying that?' Joe said, 'Sure.'"

So off went the affidavit with Joe's letter attached to the letterhead. Clearance over. Finished–done. Except is that the kind of testing that you are going to do?

Mr. Breithaupt: This comedy is–

Mr. Singer: Surely there must be some realistic method of determining this. If you are going to tell me a little later that you are going to resort to section 6 to reverse what appear to be the inequalities that apply, then I don't understand you at all.

It just doesn't come through to me in any way how the mechanics of this are going to work. I wish you could explain it. My friend from Kitchener said maybe you can get an evaluation of a competent evaluator in two weeks or maybe a month. My experience is that competent evaluators are pretty hard to find, and when you retain one, and you want a good job done, you are going to wait six weeks or two or three months before you get an evaluation that one would be prepared to go to court with. You've got to be prepared to wait that length of time.

If you are in a situation where you are untrusting of the kind of information that has come forward to you, in advance of having issued the clearance–as I read section 5(2), once you've issued the clearance it's ball game over–

Hon. Mr. Meen: As to the lien.

Mr. Singer: And as to your right! You see, the special lien conferred by the Act is not attached to the designated land disposed of where the minister has given the certificate that no lien is claimed with respect to the land; so the land is gone. The transferor has taken his money as I jokingly said a minute ago in old unserialized, one dollar bills and taken a trip to Switzerland and deposited them in a numbered bank account. So he's gone from your reach.

The tax is levied against the transferor, not the transferee; you have no lien against the–

Hon. Mr. Meen: That's right.

Mr. Singer: What do you do? The barn door is open and the horse is gone too. Tough. The easiest thing in the world to beat. You haven't got a practical system for administering the Act. All right, that's pretty obvious.

Let me try to clear up this business about prior executions, Mr. Chairman.

Mr. Singer moves that the words "before or" in the second last line of section 5(1) be deleted.

Mr. Singer: I argued about it before, and I'll argue about it again.

Mr. Chairman: The member for High Park.

Mr. Shulman: Before we come to a vote, I am still a little puzzled on one or two

aspects of this. I'm trying to put myself in the position of a landowner. Suppose I own some land now which I've owned for some years, and three years hence I want to sell it. Along comes a gentleman who is willing to buy it, and we don't want to get involved in this section 5(4), having warrants issued and all sorts of horrible things happening. I want to be a good, public-spirited citizen. I want to pay my 50 per cent speculative tax. How much is it?

I know I'm selling the property today—and suppose it is April 1, 1982—for $50,000. I bought it in 1925. How much was it worth on April 9, 1974? How do I establish that?

Mr. Singer: You get your friendly little old real estate agent to write a letter.

Hon. Mr. Meen: That isn't quite the way it works. One way to be satisfied that you weren't being robbed would be to have your own evaluation done round about now. If you had some property you were contemplating selling one day that was not your principal residence, not your recreational property and which didn't qualify as one of the other exemptions—and it wasn't being taken by the Crown—what you would do would be to apply to the minister for an assessment of the amount of the tax at that stage. Within a few months from now, for that matter it would be possible under the information in my ministry's assessment division to obtain within a couple of minutes—

Interjection by an hon. member.

Hon. Mr. Meen: —a computer printout of roughly say a dozen properties of similar size, construction and vintage and located in the same general geographic area of the municipality, having had sales in that general area of April 9, 1974.

Mr. Singer: That's going to be a definitive as to value? Oh come on!

Hon. Mr. Meen: And from that it will be possible to determine with reasonable accuracy the market value of your property on April 9, 1974. That is, of course, presuming that it was acquired prior to and held on April 9. Now from there to the sale price, of course, you have the difference in price; consequently from that, and subject to the other allowances for maintenance and the like, the net taxable amount can be computed.

Normally, a closing date for a sale would be 30 days from the time of acceptance of an offer until the time of possession on closing, and your lawyer would set about swiftly to make this application, and within that period of time he would have satisfied the ministry and I am sure they would have worked out the amount of tax liability that was payable. If they can't reach agreement, then there are other steps available to them as to security to be given or some other arrangement to be made so that the sale could be completed and the tax paid or collected at a later time, based on other security that you, the vendor, might want to give the ministry.

Mr. Shulman: I would like to follow the minister's advice. I am going to do that and suggest that everyone in the province do. How many properties are there in the province? Have you any idea? Would 10 million be a reasonable number or would there be more than that?

Hon. Mr. Meen: I couldn't say.

Mr. Shulman: Let's suppose there are 10 million properties in the province. You are suggesting we all go out now, or within a reasonably short time, and have our properties appraised so that when we want to sell them at some future date we would know what they are worth at the present time. Is that the advice? I think I heard the minister say that.

Hon. Mr. Meen: I know there were people who offered this advice in January, 1972, at the time of valuation day under the federal capital gains legislation. I am sure there were quite a number of people who did just that, but I am equally certain there were an awful lot of people who didn't do that. If we can assume the same sort of situation here, we will probably see a number of people go out and get valuations on that day just for their own satisfaction.

Mr. Shulman: Who can give this valuation, Mr. Minister? Any real estate agent? Would that be acceptable?

Hon. Mr. Meen: Any real estate agent or qualified real estate appraiser. It is certainly worth considering anyway.

Mr. Shulman: Thank you, that's great. I suppose I can phone my cousin Steven, and ask him to come and give me a valuation then. He would really like that property I have.

Hon. Mr. Meen: I want to make it clear that I am not saying that we would accept anything. I am just saying that it would be reassuring, perhaps, to an owner to know

what his property was evaluated at, at least by a qualified appraiser.

Mr. Singer: I told you about good old Joe who would sign a letter about the value of real estate; what does that prove?

Mr. Shulman: I see. Presuming you don't accept the valuation that cousin Steven gives me, which won't come to your attention for some 10 years from now, because I presume we won't sell the land, how are you going to tell if these flood of sales that go through are valid?

There must be thousands of sales every week. The flood of sales goes through your office and you are fighting manfully with only the 10,000 people you have working for you. As they come through and each one has 50 or 100 on his desk each day, how is he going to know that these valuations he sees in front of him, which presumably were done on your advice back in May or June, 1974, were or were not valid? How can you possibly tell?

Hon. Mr. Meen: I think the hon. member should remember that we are going to move to market value assessment and we are going to have these—

Mrs. Campbell: Oh you are? What year?

Hon. Mr. Meen: —market value figures available for every property.

Mr. Singer: Do you seriously believe that assessment is at market value?

Hon. Mr. Meen: As time goes on, there will be more and more cases in which the time of acquisition is after April 9 rather than before; so there will be other dates and other evidence available besides just from that date.

I would think that, prima facie, one would have the evidence of the market value assessment notice that went out to the owner each year as time goes on. If he accepts that market value assessment for the purpose of his real estate taxes, maybe he gets himself on the horns of a dilemma if he thinks he is underassessed, because one of these days he is going to sell.

Mr. Singer: Oh come on! You don't mean it.

Hon. Mr. Meen: If he sells at a price, there's the evidence he has accepted the lower value. So he is going to be anxious, I would think, on his own home dwelling to have the assessment at a high value. This is where this kind of person is going, as I say, to be on the horns of a small dilemma.

Mr. Chairman: The member for Waterloo North.

Mr. Breithaupt: That will be an animal at the new zoo—the horns of a small dilemma.

Mr. E. R. Good (Waterloo North): Now that the minister has introduced the assessment process into the ministry's valuation on property, I think this is a whole new ball game right about here. A short while ago I was talking to people from the assessment department. We know that the market value assessment has been completed in most areas across the province, but the assessment even at the present time bears no relationship to the present selling price of houses in that particular category. The pressure on single family homes and apartment buildings has been so great that there has been an unnatural and artificial value placed on certain types of housing. Surely the ministry isn't saying they are going to rely on assessment data to find out valuations for valuation day. I was told just a few months ago that present market value assessment has been completed in certain areas of the province. In the one area alone, where I live, they now say that the assessment completed about two years ago or 1½ years ago represents only about 60 per cent of the present selling price. The minister knows as well as I do that it is impossible to run a percentage factor through all assessment and come up with a market value for all classifications of buildings, simply because certain types of buildings are subject to more inflationary pressures than are other types.

So it is ridiculous to me that the assessment process will be even thought of or used to establish one's valuation for the application of this tax. It might be a guideline but a very rough guideline at that, because even now I think the assessors are beginning to realize that the market value is not the important thing, but the relationship that one assessment bears to another assessment in the same vicinity. If that is equitable, we don't have to worry too much about whether it represents market value, because you know and I know, Mr. Minister, that the assessment isn't going to represent market value when it is brought out in 1976.

This is an entirely different thing. This valuation on valuation day of April 9 has to be related to the actual selling price, and the selling price may be inflated or deflated, depending on the stress and pressures under

which the sale was made. As far as I am concerned, Mr. Chairman, it's a new ball game altogether when we talk about using the assessment rolls to establish evaluation.

Mr. P. D. Lawlor (Lakeshore): He doesn't mean that. He wants to take it back. He has changed his mind.

Hon. Mr. Meen: I don't disagree with the member for Waterloo North when he talks about the difficulties we have had in reaching market value assessment in some areas—

Mr. Lawlor: They're not difficulties.

Hon. Mr. Meen: —in which the rates of increase have been substantial. That's the reason why we have had to put over to 1976, for the taxation year 1977—

Mr. Lawlor: That is not the reason.

Hon. Mr. Meen: —our estimate of the time when we can apply market value assessment.

Mr. Lawlor: You want to complete the assessment across the board. It has nothing to do with it.

Hon. Mr. Meen: Nevertheless, our men are going back now and redoing the market value assessments that were done two or three years ago.

Mr. Lawlor: You made a grotesque blunder.

Hon. Mr. Meen: Because of the enormous increase, they have had to go back and do this work. As the member for Waterloo North said, you just can't apply an across-the-board figure of an increase of 40 per cent to bring those up to market value. There has not been that great a consistency. So they have to go back and rework these to bring them back up. That work will be completed, I am advised, by about the end of this year or the very early part of next year.

Mr. Singer: Then it will be two years.

Hon. Mr. Meen: Then everything will be on an equal basis and they will be essentially current at that time—

Mr. Breithaupt: We will never catch up.

Hon. Mr. Meen: —since the rate of increase is by no means as great now as it was in the last two or three years.

Mr. Lawlor: This is self-hypnotism.

Hon. Mr. Meen: So I think we will be able to use those figures with reasonable accuracy.

Mr. Chairman: The member for Downsview.

Mr. Singer: I would like to ask the minister if he has read any of the decisions of the Ontario Municipal Board in relation to values for expropriation purposes, if he has read any decisions of the Land Compensation Board that it has made about values for expropriation, if he has read any of the decisions made by the former Exchequer Court, now the Federal Court of Canada, in relation to the decisions it has made. And if he has, I would suggest to him that he would never have brought before us the gobbledygook that he has been enunciating in the last few minutes.

To suggest even remotely that the assessment is anything more than the most far-out, single and mostly irrelevant criterion in determining—what's your phrase here?—"fair market value," is just dreaming in Technicolor. The amount of attention that any of these tribunals ever pay to assessment, or will pay now to this assessment on the new basis—which will be about three years out of date before it is ever used—is almost invariably nil. The values change from day to day and month to month.

Fair market value? What is fair market value as defined in the Expropriations Act of Ontario or in the Federal Act? Fair market value is what a willing buyer will pay to a willing seller. That's what it is. Its relationship to assessment is hardly more than coincidental. It certainly is not the criterion, or even one of the important criteria.

If you are going to get into an argument about what fair market value is, if you have it in one city, then your magical computer answer about five comparative buildings in the same neighbourhood, if you can find them, is almost completely and absolutely irrelevant.

So the position put by the member for High Park as to what the mechanics of this are remains completely unanswered. You have all your new assessment base, you have readjusted the years and keep on moving them forward. No matter what year you say they are finalized, they'll still be three years out of date. They won't be accepted by any of the tribunals in this province or this country as really pertinent or relative to the phrase, "fair market value," which is the value on which you can base your tax. So tell us how

it is going to work because you really haven't made it at all clear.

Mr. Chairman: The member for Lakeshore.

Mr. Lawlor: Mr. Chairman, I really can't bring myself to discuss the matter under discussion. I feel that I would stutter. Somehow it would stick in my throat. So I'll pass that over and say one of the worst features—and I am sure you'll commiserate with me, Mr. Chairman—of these prolonged, parsing debates that take place at times, brought on our heads by inept legislation, and inept arguments introduced in defence of the wretched legislation, is that sometimes the dreamy quality, bedizenment and obfuscation that characterizes the minister rubs off on some of the rest of us. That wonderful and terrifying thing, as far as I can see, just happened to the member for Downsview when he was arguing his amendment a moment ago—I really can't make head or tail of his amendment now. Things are getting in a very—

Mr. Singer: On an entirely different point—

Mr. Breithaupt: If that is the case—stand up in court.

Mr. Lawlor: I swear. Did you notice, Mr. Chairman, that there is a word "whether" in there and he somehow has left the "whether" but taken out the "or"?

Mr. Breithaupt: No one can do anything about the weather!

Mr. Lawlor: I guess you can refine the ore! I don't know.

Mr. Singer: You are quite right. I will accept your sub-amendment.

Mr. Lawlor: I move that we take out the whether.

Interjection by an hon. member.

Hon. Mr. Meen: Very clever.

Mr. Chairman: The member for High Park.

Mr. Renwick: How about the committee rising?

Mr. Shulman: I still am not clear from the minister's answer how his fair market value assessment, which he is going to have in 1976, is going to help him in any way to determine what a house is worth on April 9, 1974.

Hon. Mr. Meen: Mr. Chairman, what I have just been trying to tell the members, and I think we are about ready to close up for the night, but I can make this brief, is that under the computer system you can punch into the computer the question of (a) the particulars of the property you are talking about and (b) the date of, say, a spread of a month or so on either side around April 9, 1974, for similar types of sales.

Mr. Singer: Are you making a definitive assessment—

Mr. Chairman: Order, please. Order.

Hon. Mr. Meen: And the computer will punch out in a couple of minutes particulars of half a dozen other properties, let's say, that have similar floor areas and are of similar vintage—

Mr. Singer: Try that one on for size.

Hon. Mr. Meen: —similar area, and so on. The dates when they were sold, and the prices for which they sold, and, for that matter, the terms of sale—how much was cash, how much was mortgage. And that can be punched out for any day you want to pick. Pick the middle of July. Pick the middle of April. Pick whatever time you like, and we can produce that information out of the computer on a couple of minutes notice. I have seen it demonstrated now and it will be applicable throughout the whole of the province towards the end of this year.

Hon. Mr. Stewart moves the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports progress and asks leave to sit again.

Report agreed to.

Mr. M. Shulman (High Park): Mercifully!

Mr. G. E. Smith (Simcoe East): Not very much progress.

Mr. P. D. Lawlor (Lakeshore): Let's call it all off for two or three days.

Hon. W. A. Stewart (Minister of Agriculture and Food): Mr. Speaker, before you move the adjournment of the House, the House leader (Mr. Winkler) has asked me to announce that on Friday, tomorrow, we will deal with item 20 on the order paper, Bill 65,

followed by the committee of supply in the estimates of the provincial Treasurer (Mr. White), and on Monday, May 27, we will continue with item 2 on the order paper, Bill 25; item 10, Bill 51; and Bills 52, 9, 44, 35, 37 and 39.

Mr. V. M. Singer (Downsview): You will not need anything to follow Bill 25.

Hon. Mr. Stewart: One is always optimistic.

Mr. Singer: Well—

Mr. F. Drea (Scarborough Centre): You might not be here.

Hon. Mr. Stewart: I move the adjournment of the House.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, before the House does adjourn, I can understand the requirement to go ahead with the Municipal Elections Act, Bill 65, tomorrow. I must say, though, that it is regrettable that an estimate has been called for which there has been no particular warning—

Hon. Mr. Stewart: You are not prepared, then?

Mr. Breithaupt: I think members who are involved particularly in financial matters have been involved in this debate and we have now spent some 28 hours on this debate. I hoped some other estimate might be called or, alternatively, that some of these other smaller and hopefully less controversial bills could be dealt with tomorrow. I would hope the House leader, in reviewing the comments I have to make tonight, might possibly consider that tomorrow morning. But, of course, we will have to play the hand the way it is dealt.

Hon. Mr. Stewart moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 o'clock, p.m.

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No. 58



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Friday, May 24, 1974

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, MAY 24, 1974

The House met at 10 o'clock, a.m.

Prayers.

Hon. J. White (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, it is a very great pleasure for me to draw your attention to two important delegations as our guests in your gallery. They have come from different parts of the world; in fact, from opposite sides of the globe. We have an important official delegation from the State of Macedonia in Yugoslavia which is headed by Dr. Gruevski, Vice-President of Macedonia. With him is my friend Dr. Zaharievski, who was the vice-president and who is now the manager of the largest bank in Macedonia.

Mr. M. Shulman (High Park): Maybe they can lend us some money.

Hon. Mr. White: I will take anything that is going. Also with Dr. Zaharievski is Mr. Andonov from the secretariat for foreign relations in Yugoslavia and Mr. Simoski from the Yugoslavian embassy in Ottawa. We are very glad to have all of you gentlemen here today. At 10:30 we will be meeting in room 185 with a number of municipal heads—one regional chairman, one executive alderman, and one or more councillors. Any MPP who is interested in joining us for this exchange is very welcome to do so.

We also have a distinguished group from the Mitsubishi Bank. The head of the delegation is Mr. Tsuyuki who is the senior managing director from Tokyo. With the managing director we have Mr. Kurumisawa and Mr. Masuda from the Mitsubishi Bank in New York, and Mr. Adachi, who is stationed here in Toronto and whom many of you know.

Sir, on your behalf and on our behalf, I am very pleased indeed to have these two important delegations here with us today.

Hon. M. Birch (Provincial Secretary for Social Development): Mr. Speaker, I also have some guests that I would like to introduce to you and through you to the members of the House. They are grade 7 and 8 students from Jack Miner Public School in Scarborough. Would you welcome them please?

Mr. R. F. Nixon (Leader of the Opposition): The Jack Miner school? An old Leamington boy.

Mr. Speaker: Statements by the ministry.

Oral questions.

The hon. Leader of the Opposition.

Mr. R. F. Nixon: Thank you, Mr. Speaker. I am not sure whether the Treasurer indicated that he was going to a meeting at 10:30. I thought we were going to do the Treasury estimates.

Hon. Mr. White: If this is worrying the Leader of the Opposition—

Mr. R. F. Nixon: No, not at all, I would just be delighted to see the Treasurer in two places at once.

Hon. Mr. White: —what we are going to do is the Minister without Portfolio (Mr. Irvine) and I are going to spell one another off. When one of us is required in this chamber, the other will chair the meeting downstairs.

REGIONAL GOVERNMENT TRANSITIONAL GRANTS

Mr. R. F. Nixon: Oh, that is the way they will do it.

On behalf of the mayor of Whitby, can the Treasurer explain the decision that was made not to give transitional grants to that lower-tier municipality in the new regional government, evidently the only one not treated to the transitional grant formula as was expected?

Hon. Mr. White: Well sir, I will offer an answer. Unfortunately, I brought all of the data with me yesterday to answer this question in full and I didn't bring it today, thinking it wasn't going to come up.

Very briefly, the situation is this: When an area is regionalized there are two forms of transitional grants, one to meet the extraordinary costs for the region as a whole and the other to accommodate certain boundary changes within the region. The latter form of transitional grant goes to the area municipalities. Since Whitby had no changes in its boundaries as a result of regionalization, it was thought not to qualify for this particular form of transitional grant.

The tentative figures went out to the region and to the area municipalities a week or two ago and, of course, as I say, Whitby was not on the list. The mayor of Whitby makes the point that they shouldn't be punished or penalized because their boundaries were altered five years ago.

Mr. R. F. Nixon: Nobody could have been more co-operative than the mayor.

Hon. Mr. White: I think there is some merit in this argument, and I've asked my officials to reconsider the suggested grants—because that's all they are at the present time—and I would hope that something can be worked out that is more or less acceptable to all of those concerned.

Mr. R. F. Nixon: That's interesting.

TECHNICAL ASSISTANCE TO INDIA FOR NUCLEAR REACTOR DEVELOPMENT

Mr. R. F. Nixon: I'd like to ask the Premier if he has interested himself in the relationship of Ontario Hydro with the developments in India which have led to their exploding an atomic bomb? Are we still continuing with an exchange of technical experts at the top level with Douglas Point and our other atomic facilities? And was Ontario Hydro technology, which assisted in the establishment of the reactor, involved in this matter in any way?

Hon. W. G. Davis (Premier): Mr. Speaker, I can't help the Leader of the Opposition with any information this morning. But I have asked for information as to what people from Hydro or what technology was made available, if any, and I hope to have that some time early next week.

Mr. R. F. Nixon: A supplementary: Since it's now Canadian government policy to stop technical aid and the transference of any materials, might we presume that the policy of Ontario Hydro, which I believe called for the exchange of technicians, would at least be reviewed?

Hon. Mr. Davis: Mr. Speaker, I can only assume, and it's only an assumption at this point, that anything that is done by Ontario Hydro would be done through the Department of External Affairs in Ottawa; in any event, I would assume that it would be done at their request. If they have cut off any further co-operation with India, that probably would include any personnel from Hydro. But as I say, Mr. Speaker, that's only an assumption, and I will have this information early next week.

ALGONQUIN PARK EXPANSION

Mr. R. F. Nixon: Another question of the Premier, in the absence of the Minister of Natural Resources (Mr. Bernier), pertaining to the announcement, evidently made by a press officer of the Ministry of Natural Resources, about the substantial expansion of Algonquin Park. Is the Premier in a position to make a policy statement with regard to that, perhaps indicating how he is going to fulfill the previous commitment to establish an Algonquin Forest Authority, whether in fact there is a possibility of reviewing that concept and establishing instead a commission that would therefore not be overseeing the logging operations in the park, but in fact would be having a broader aspect in the policy, possibly dealing with the abolition of the logging programme there?

Hon. Mr. Davis: Mr. Speaker, that is still the intent of the government, and the minister is working very diligently on the proposed legislation to have an authority for Algonquin Park; hopefully we will have it introduced before we recess for the summer months.

Mr. R. F. Nixon: A supplementary: What would be the reasoning whereby an information officer would make a statement on the substantial expansion of the park, since it will, of course, involve public moneys, but it also is involved in an area of policy of broad provincial concern?

Hon. Mr. Davis: Mr. Speaker, I can't answer that question. It's a personal policy of mine that any significant government policy is not announced by an information officer, but hopefully by myself. I can't state for the minister why this happened on this occasion. I believe he will be here Monday

or Tuesday and could give the Leader of the Opposition an answer.

HOUSING PROGRAMMES

Mr. R. F. Nixon: I'd like to ask the Minister of Housing if his statisticians and those who gather specific material for him on the changing costs of housing and its availability in the province, have given him a more recent, updated report on the effects of provincial government policy, the mortgage policy of the government of Canada and the availability of mortgage funds to meet the changing prices of housing accommodation in Toronto and Ontario in general?

Hon. S. B. Handleman (Minister of Housing): In reply to the hon. member, first of all I should say we have no research statistical capacity in the ministry but we do receive reports from a variety of sources. All I can say at this time is that the situation, particularly with regard to mortgages, is very confused; the confusion having been caused by a series of announcements, coming during an election campaign which is going on, about there being some changes being made in mortgage arrangements by the federal government through the banks, and the lending institutions are completely unsure of their position at this time. The Bank of Canada having adjusted the prime rate twice over the past month has certainly caused a degree of uncertainty in the money market.

The indication and information that we've received is that the mortgage market at this time is in a state of confusion, Mr. Speaker.

Mr. R. F. Nixon: A supplementary: Would the minister not feel that since the market is in a state of confusion, at least a substantial part of that is due to the confusion associated with the bill that is still being debated in the Legislature, which according to lawyers in this province—who must contact the minister, as the member for his own area, as they have other members—is in fact adding a measure of confusion which may mean that the sales of properties will have to grind to a stop until government policy in this regard is clarified?

Hon. Mr. White: The member is talking to the wrong lawyer.

Mr. R. F. Nixon: Is the minister aware that at the meeting of lawyers held the day before yesterday, the government appeared a complete laughing stock because it could not bring officials forward who even knew the principles and concepts of the bill that is presently before the House?

Mr. J. R. Breithaupt (Kitchener): And there were 1,500 of them.

Hon. Mr. Handleman: Of course, my colleague the Minister of Revenue (Mr. Meen), will answer for the contents of the bill.

Mr. Shulman: Not very well.

Hon. Mr. Handleman: As far as its effect on the housing market is concerned, the only effects that we have seen have been beneficial.

Mr. Shulman: A complete standstill. A complete stop.

Mr. S. Lewis (Scarborough West): A supplementary, if I may: Mr. Speaker, the minister is forever quoting his friend Donald Kirkup. Would he like to comment on Mr. Kirkup's most recent statement? He said, and I quote:

> I'm predicting that with the vacancy rate now approaching an all-time low and with all types of housing starts likely to decline 20 per cent, it won't be long before house prices begin to rise at substantial rates.

Hon. Mr. Handleman: I suppose, Mr. Speaker, for once I can disagree with Mr. Kirkup. The information we have—

Mr. L. A. Braithwaite (Etobicoke): Only ministers can change their minds.

Hon. Mr. Handleman: —is that real estate listings are up, many homes are available at reduced prices and prices are levelling off.

Mr. J. A. Renwick (Riverdale): The minister doesn't have the information on which he can base a statement like that.

Mr. D. C. MacDonald (York South): That's off the top of his head.

Hon. Mr. Handleman: Those statements are coming to us every day, Mr. Speaker. As far as the trend is concerned, we see it turning rapidly into a buyer's market.

Hon. Mr. White: No thanks to the opposition.

Mr. M. Cassidy (Ottawa Centre): Supplementary, Mr. Speaker: Would the minister—

Mr. D. M. Deacon (York Centre): Would the minister kindly—

Mr. Speaker: The hon. member for Ottawa Centre.

Mr. Deacon: I thought it was in order?

Mr. Cassidy: Would the minister not agree that, while listings are up, the monthly cost of purchasing a home has risen sharply; second, that listings have risen because of the mortgage uncertainty much more than this tax; and third, would he not agree that all signs now point to a sharp drop in the construction starts because of the situation created by this government and the federal Liberals?

Hon. Mr. Handleman: The hon. member is completely confused as usual.

Mr. Lewis: And the federal Tories.

Hon. Mr. Handleman: I noticed that his leader, in a speech in Mississauga last week, quoted the hon. member for Ottawa Centre as saying that he had elicited some kind of an admission from the minister that 10 per cent of the HOME lots were going to those with incomes under $14,500.

Interjection by an hon. member.

Hon. Mr. Handleman: Yes, and he quoted the member for Ottawa East (Mr. Roy).

Mr. Lewis: I said that in Mississauga. I quoted the member for Ottawa Centre. I always quote him.

Hon. Mr. Davis: That would be a fundamental error.

Hon. Mr. Handleman: That's right. I think I should set the record straight, because there is a great deal of confusion and it's mostly over there. One hundred per cent of the HOME lots in the Province of Ontario, not 10 per cent, are going to people earning under $14,500, and the constant repetition is not going to give it any credibility whatsoever.

Mr. Speaker: The hon. member for York Centre.

Mr. Deacon: Would the minister indicate how many building sites in excess of the anticipated demand in the market this year the province will be providing, or assuring us will be provided?

Hon. Mr. Handleman: Mr. Speaker, on Monday, May 27, I will be making a comprehensive statement of all of the programmes which my ministry is putting into place, and the hon. member will have an opportunity to examine the figures in their proper context.

Mr. Lewis: By way of supplementary, does the minister consider $14,500 a year to be serving the low-income earners of Ontario?

Hon. Mr. Handleman: Mr. Speaker, the hon. member in his speech in Mississauga pointed out that those under $14,500 represent 60 per cent of the people in Ontario, and certainly we are seeking to serve that income group.

Mr. Cassidy: Tell that to the people earning $3 an hour.

Mr. Speaker: The hon. member for High Park.

Mr. Shulman: Does the minister believe it is beneficial that the result of this bill is to have brought the housing market to a standstill?

Hon. Mr. Handleman: I didn't say the housing market had come to a standstill. That's the hon. member's statement.

Mr. Shulman: Ask anybody in the real estate field.

Hon. Mr. Handleman: What has happened is that it has been a combination of circumstances, included in which is the land speculation tax. High mortgages have had their effect. And obviously anything which brings the prices down cannot be disagreed with by my hon. friend.

Mr. R. F. Nixon: A supplementary: How can the minister, in answering the first question, immediately point out, in effect, that there is an election campaign going on and those statements are adding confusion to the market, when he knows full well that the statute which we are now debating in the Legislature is causing the very confusion he is talking about?

Hon. A. Grossman (Provincial Secretary for Resources Development): Question, question!

An hon. member: Question!

Mr. R. F. Nixon: Surely that sort of a political intrusion is below the minister's responsibility?

Hon. Mr. Handleman: Mr. Speaker, the tax has caused absolutely no confusion whatsoever.

Interjections by hon. members.

Mr. R. F. Nixon: It has disrupted the whole market.

Mr. MacDonald: All his back-benchers are bamboozled by it.

Mr. Lewis: They won't complain back there.

Interjections by hon. members.

Mr. Speaker: Order, order.

Hon. Mr. Handleman: If I may continue, Mr. Speaker—

Mr. MacDonald: The Premier is confused.

Mr. Lewis: That bill is a disaster.

Mr. Speaker: Order please.

Interjections by hon. members.

Mr. Lewis: Does this minister know that the housing starts this year are now 10,500 behind last year?

Hon. Mr. Handleman: We've reached—

Mr. Speaker: Perhaps the hon. minister might make his response.

Hon. Mr. Handleman: Mr. Speaker, the CMHC figures indicate housing starts in Ontario are up by three per cent.

Mr. Lewis: No, that is a lie.

Hon. Mr. Handleman: They have reached a record high of 286,000 this year—

Interjections by hon. members.

Mr. Speaker. Order. Order.

Mr. Lewis: On a point of order.

Hon Mr. Handleman: I would like to point out to the Leader of the Opposition there is no confusion as far as the sale of houses is concerned. The tax has brought houses on to the market which would not otherwise have appeared.

Interjections by hon. members.

Hon. Mr. Handleman: It certainly has had a lowering effect on prices and from the point of view of my ministry nothing could be more welcome than the land speculation tax.

Interjections by an hon. member.

Mr. Lewis: By way of supplementary, has the minister seen the most recent CMHC figures for April which indicate that the housing start projection for 1974 is now 10,000 units behind the total? Those projections, once they reach April, are accurate. That puts us 10 per cent behind the production in Ontario last year. The minister's speculative land tax is a catastrophe in terms of what it has done to the housing market.

Interjections by hon. members.

Hon. Mr. Handleman: Mr. Speaker, the latest figures I have seen from CMHC, which arrived on my desk yesterday morning, indicate that housing starts on a projected basis are at 286,000 in Canada which is an all-time record; and Ontario is maintaining its pace in relationship to other provinces.

Interjections by hon. members.

Mr. Lewis: No, that is wrong.

Mr. Speaker: The Leader of the Opposition?

The member for Scarborough West.

GASOLINE PRICES

Mr. Lewis: A question, Mr. Speaker, of the Premier. Now that the major oil companies have completed their various increases, Gulf being the last, I guess a day or two ago—Imperial 9.2 cents, Shell 8.8 cents, Gulf 8.4 cents—clearly indicating there was some flexibility within the oil companies, will he not now, as Premier, intervene and at the very least ask that the prices be rolled back to the level which he agreed upon, which is apparently within the carrying capacity of some of the oil companies?

Hon. Mr. Davis: Mr. Speaker, I think it would be erroneous to say this was the price which was agreed upon. What was agreed upon in Ottawa, for the fifth or sixth time, was that the provinces would not object to the decision by the Prime Minister of Canada, that if there were not an agreement he would legislate the figure of $6.50 a barrel.

It is not our intention at this moment to roll back prices as they relate to gasoline. The government is concerned. It represents in our rough calculations probably, on average, one per cent or perhaps 0.8 per cent, depending on which figure one uses, higher than the estimates we used at the time of the discussions in Ottawa.

I want to make it very clear that there was no discussion at that time as to any increase which might be set by the retailers. This has also given us concern because there is some indication that the increase of, say, 10 or 11 cents, which varies all over the province, relates to the retailers, many of them independent, who have made this decision on their own. I find it interesting that the variation does go from about 8.4 cents to 9.2 cents but at this time, Mr. Speaker, we are not suggesting that there be a roll back.

Mr. MacDonald: Copping out again.

Mr. Lewis: A supplementary: Is the Premier aware that 8/10ths represents $36 million to the consumers of Ontario and that the price increases, as they are registered for gasoline and heating oil, in Toronto will add an average family cost of close to $200 a year; and in Sudbury, as an example of a northern community, some $250 or $254 a year? Since that drastically exceeds the compensation which the Treasurer attempted to provide within his budget, does the Premier not think, now that prices have levelled out and he knows where he stands, that it is time to intervene?

Hon. Mr. Davis: Mr. Speaker, as I recall the Treasurer's budget, it included measures to offset the increase in the price of fuel oil, particularly for those income families at the lower end of the income scale. I think it is fair to state—and the figures are not exact because the fuel oil season, fortunately, doesn't start until next October or November, say—our estimates still would indicate that the amount provided in the budget will more than offset the increase in fuel oil prices for a lot of families. There was nothing in the budget to offset the increase in gasoline prices. That was never intended.

SEATBELTS

Mr. Lewis: A question of the Premier. Would he like to comment on the assertion by, I think, a senior federal civil servant that the mandatory seatbelt legislation, which was indicated in the most recent Throne Speech, will clearly not occur in the Province of Ontario? That this civil servant's reading of the discussions with civil servants in Ontario suggests to him that no such legislation will appear before us?

Hon. Mr. Davis: Mr. Speaker, I am always intrigued by observations from the federal civil service. If they aren't any more accurate on this issue than they are on some other issues one could mention on this occasion, I don't think one need give a great deal of credibility to them. I am saying I don't pay much attention to observations by federal civil servants as they relate to programmes of this government.

Mr. Lewis: Is this government introducing such legislation then? In effect, is the Premier denying what has been said and will he proceed with the legislation as intended?

Hon. Mr. Davis: Mr. Speaker, that is not what I said. If one will recall exactly what was said in the Throne Speech, I think it said the government would give consideration to it.

Mr. Lewis: Those lovely words. How the government pores over the loopholes before it drafts them.

Hon. Mr. Davis: On a point of order, I want to make it very clear, abundantly clear, that the Lieutenant Governor of this province gives great thought to the preparation of the Throne Speech and I don't want to take any credit for it.

Interjection by an hon. member.

Hon. Mr. Davis: The member didn't read it.

Mr. Lewis: A further question of the—

Hon. Mr. Davis: Is the member in favour of the legislation then?

Mr. Lewis: On what? Seatbelts? I am not answering questions, fortunately.

Mr. MacDonald: The Premier has to have some company.

Mr. Lewis: It's the only time I am glad I am not on the Treasury benches.

ROUTE OF PETROLEUM PIPELINE

Mr. Lewis: May I ask the Premier another question. Now that the National Energy Board has indicated its dissatisfaction with the environmental studies attendant on the southern Ontario pipeline route, which have been carried out by the company, and has asked for further studies which will prolong this by many months—conceivably even longer—is it not now the time for Ontario to say that since one-half of the argument has gone, namely the time factor, we will therefore insist with Ottawa that the pipeline be built through northern Ontario because the other factor, the investment of the additional money, is clearly beneficial to the north?

Hon. Mr. Davis: Mr. Speaker, this government has always supported, in the final analysis, an all-Canadian route. Whether one can consider, say, going through the Sault Ste. Marie area and across and down, as a totally Canadian route I guess is arguable.

As far as the government is concerned, we have stated our intention and the contents of our intervention and I think it is very clear

from this statement that we are as concerned and we are very encouraged that the National Energy Board now is showing some concern as well over the environmental issues. I can't comment as to what length of time it will take, either the company or others who are interested in this aspect of the hearing before the NEB, to complete it but our position is maintained. It's a very strong position with respect to the environmental concerns.

Mr. MacDonald: A supplementary question: Does the Premier not accept the contention that if we spend the money in building a so-called southern route it is likely to rule out, forever, what he concedes to be his first preference ultimately, namely, an all-Canadian route? If there are going to be delays, why not exert the pressure rather than sit idly by and watch this kind of delay, in order to get that ultimate solution immediately?

Hon. Mr. Davis: Mr. Speaker, I think we would be really guessing a great deal. The hon. member suggests that perhaps the economics of, or the amount of oil to be transmitted over, say, a second route wouldn't justify it. I think it is very premature to make that kind of observation. A lot will depend on the world market situation, what is found further by way of oil in either Saskatchewan or Alberta and the success of the tar sands. I think there are many unknowns at this moment. I certainly wouldn't make a judgement that if the southern route is used that this would preclude an all-Canadian or a northern route at some point in time.

Mr. R. F. Nixon: A supplementary: Surely the Premier would agree that the justification for the southern route depends on whether it is required on an emergency basis or not. The government of Canada has said that it is so required. Is there any information that would counteract that, which is available to the experts in the Energy department or available to the Premier? It's either need on an emergency basis or it's not.

Hon. Mr. Davis: Mr. Speaker, we've had no communication that I know of that would indicate that there still isn't a very high degree of priority for the southern route.

Mr. Lewis: Except it is not happening.

Hon. Mr. Davis: If such information has been made available, it's only within the last day or so. I certainly don't know of any and I question that there has been.

Mr. R. F. Nixon: Mr. Speaker, on a point of order, just so that the Premier will not be worrying about his loopholes, His Honour's words were: "Honourable members, you will be asked to consider provisions for the mandatory use of automobile seatbelts."

Interjections by hon. members.

Mr. Lewis: Does the Premier realize what he has done this morning? He has cast doubt on the Throne Speech, that's what he has done.

Mr. Breithaupt: Sweeping radicalism.

Hon. Mr. Davis: Mr. Speaker, on a point of order, we have never cast doubt on the Throne Speech on this side of the House. It always represents a very excellent indication of government policy. It is only the negative folks on the other side of the House who cast doubt on the Throne Speech, and never with any great degree of success.

Mr. Lewis: So far.

Hon. Mr. Davis: So far.

SOUTHERN DEMING MOVE

Mr. Lewis: I have one last question, if I may, of the still Minister of Labour.

Mr. Breithaupt: Very quiet too.

Mr. Lewis: Is he too much in the throes to be bothered by a question?

Hon. F. Guindon (Minister of Labour): No.

Interjections by hon. members.

Mr. R. F. Ruston (Essex-Kent): Going into retirement.

Mr. Lewis: When a plant moves, as Southern Deming, a division of Crane Canada Ltd., did, from Marieville, Que. to Cornwall, Ont., paying wages rather lower than were paid in Quebec, with a history of four plant shutdowns in the Province of Quebec and rather bad labour relations, what does the minister do, by way of studying this kind of interprovincial shift of a company, in order to protect the work force in Cornwall and the area affected?

Hon. Mr. Guindon: Mr. Speaker, by and large I think people in my area know darn well how I feel. As to the protection of

workers, I have been very close to them and always will be.

In the case of Crane, I think at one point the hon. member asked me if there had been any incentives or forgivable loans from the government to Crane. There was no such thing. I, personally, as the member for Stormont and the city of Cornwall, never was approached by this company when they moved from Quebec into Ontario. I have had no representations from the trade union movement or from the workers insofar as conditions or pay are concerned. I would be only too glad to meet with them if they have a problem.

Mr. Lewis: Thank you. No further questions.

Mr. Speaker: Oral questions. The hon. member for Kitchener.

HYDRO HEADQUARTERS CATERING CONTRACT

Mr. Breithaupt: Mr. Speaker, I have a question in three parts of the Premier. Can the Premier advise why the catering contract for the new Ontario Hydro headquarters has apparently been awarded to Malloney's without any tenders being called? Can he explain why the CNIB, which is Hydro's caterer in its present headquarters, was not asked to compete for the new contract and apparently has not even been made aware that the new contract has been awarded? And can the Premier advise if this is the same Malloney's that operates the Edelweiss restaurant at Ontario Place?

Hon. Mr. Davis: Mr. Speaker, I have no knowledge of any of these matters. I would be delighted to get the information for the hon. member. I know of Malloney's over here; it is the only one I know.

Mr. Speaker: The hon. member for Sandwich-Riverside.

LEAD HAZARD FROM ELECTRIC KETTLES

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, in the absence of the Minister of Consumer and Commercial Relations (Mr. Clement) and the Minister of Health (Mr. Miller), I would like to ask the Premier a question regarding electric kettles. What does the Premier think of the attitude of the T. Eaton Co., as reported on page 1, column one, of the Globe and Mail this morning, that it will continue the sale of kettles until the government's tests are completed?

Mr. Breithaupt: But they won't sell cigarettes!

Mr. Burr: Does the Premier not think that it should announce that it is suspending, rather than continuing their sale, until the tests are completed?

Hon. Mr. Davis: Mr. Speaker, I guess one could assume that there won't be extensive sales of electric kettles, no matter what the policy is of the retailer. I must confess I have very little personal knowledge of the subject. I will try to get some information for the hon. member. I guess it will have to come from the Minister of Consumer and Corporate Affairs in Ottawa. That may be a little bit difficult to do, but in that the hon. member is much closer to him than I am—geographically, not philosophically—he might ask the Hon. Mr. Gray over the weekend when he returns home what the latest is and inform us on Monday.

Mr. Breithaupt: It is a plot by the milk board to make us drink milk.

Mr. Burr: Mr. Speaker, in addition to thanking the Premier for his very helpful suggestion, I'll ask would the Premier talk to his Minister of Consumer and Commercial Relations?

Hon. Mr. Davis: I would be delighted.

Mr. Burr: Thank you. Because everybody doesn't read the paper; everybody doesn't hear the radio.

Mr. Speaker: The hon. member for Windsor-Walkerville.

HOUSING PROGRAMMES

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I have a question of the Minister of Housing. In view of the fact that the price of serviced lots has doubled in the city of Windsor over the past two years, and in view of the fact that the municipal administration regards Windsor as a housing crisis area, will the minister reconsider his decision and include Windsor in Ontario's housing action programme?

Hon. Mr. Handleman: Mr. Speaker, we are aware of the situation in Windsor, and at the present time, because of certain impatience on the part of some members of the House, we are concentrating all of our attention on those areas that are immediately identified as housing action areas.

We have never said those are the last areas that will be so identified, and certainly I hope that once we get the programme on the road in those areas that are now designated, we will be looking at what we call second-tier municipalities; and I can assure the hon. member that Windsor is included in that category.

Mr. V. M. Singer (Downsview): When are they going to do the first tier?

Mr. B. Newman: Mr. Speaker, a supplementary: Is the minister aware that the need for senior citizens' housing in the city is 1,092 as of May 1 and that family housing accommodation needs registered 474, in addition to the regular needs in the community?

Hon. Mr. Handleman: Mr. Speaker, the hon. member asked that question several weeks ago—

Mr. B. Newman: No, I didn't.

Hon. Mr. Handleman: —and at that time I responded to him by saying our waiting list appeared to be under 1,000. I assume from his current figure that it has now gone slightly over 1,000.

We are aware of the problem, the housing authority has made certain recommendations; and we are investigating possible sites for early construction. As far as family housing is concerned, it is our understanding —this is the information that has been given to me, Mr. Speaker—that there is a sufficient quantity of family housing, but the problem is that the mix of size of family housing is not really conducive to full use. We are looking at that problem with a view to correcting it as quickly as possible.

Mrs. M. Campbell (St. George): A supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for St. George with a supplementary.

Mrs. Campbell: In the light of his remarks, could the minister advise the House whether, in the assessment of the Windsor area or any other area, the minister assesses on the basis of demand or on the basis of an investigated need?

Hon. Mr. Handleman: Mr. Speaker, at the present time we are looking at submissions from the municipalities. I can assure the hon. member that we have heard from Windsor, from Niagara Falls and from other municipalities in the province, who have indicated that there appears to be an urgent need in their municipalities for acceleration of serviced lots for housing development.

Mr. Cassidy: A supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for Ottawa Centre.

Mr. Cassidy: Could the minister provide clarification about the housing action programme? As I recall, he stated in the House a couple of weeks ago that only 10 per cent of the lots under the housing action programme would de directed towards people earning less than $14,500 a year. Is that not correct? And does that not mean that only 10 per cent of the lots under that programme will be available for people who make up 60 per cent to 70 per cent of the population of the province?

Hon. Mr. Handleman: I didn't say that at all, Mr. Speaker.

Mr. Cassidy: It sure sounded that way.

Hon. Mr. Handleman: Mr. Speaker, sometimes the member doesn't listen as carefully as he might. What I did say was that we had proposed a formula. The formula was based on the fact that 10 per cent of the lots should be transferred to OHC at book value and, presumably, we would use those lots for the HOME programme. Also, there were other lots which we were requiring to be sold to people in certain income areas.

That's a formula which has been proposed. The developers have come back with counter-proposals, as have the municipalities on our proposals to them, and we are developing agreements which will be released by order in council as I assured the House during the reading of a bill which was passed here last week. They will be released to the House and the House will have an opportunity to examine them in full detail.

Interjection by an hon. member.

Mr. Speaker: The member for Wentworth is next.

RECOURSE FOR HOME PURCHASERS

Mr. I. Deans (Wentworth): Mr. Speaker, I have a question of the Minister of Housing. What would the minister suggest that people, who leased HOME lots and went to approved home builders, ought to do in order to get those builders to repair leaking roofs, leaking windows, flooded basements and any number of other problems which have arisen since the development in the Hamilton area took place last year and which obviously the builders don't intend to resolve?

Hon. Mr. Handleman: Mr. Speaker, I would say the recourse for the purchaser of a house under the HOME programme is the same as the recourse any home purchaser has. I would assume the member might wish to direct that question to my colleague, the Minister of Consumer and Commercial Relations.

Mr. Renwick: There is none, not for practical purposes.

Mr. Deans: A supplementary question: Since I have already directed it to that minister and he has done nothing, is there any likelihood of this ministry, perhaps in conjunction with the Minister of Consumer and Commercial Relations, bringing in legislation which will protect home purchasers against shoddy workmanship and builders who refuse to return to complete the repairs to work which ought to have been done properly in the first place?

Hon. Mr. Handleman: Mr. Speaker, I can't answer for my colleague. I know he is working on it. There have been some results from the conference held in Ottawa a few weeks ago—

Mr. Deacon: It's been going on for five years.

Hon. Mr. Handleman: —and the minister will undoubtedly announce policy when it has been decided upon.

Mr. Deans: A supplementary question: Is there a financial holdback on mortgages to HOME builders and will the minister use that as a lever to force these people to do the work?

Hon. Mr. Handleman: Mr. Speaker, the holdback is exactly the same as the holdback on any other construction project. Once the period for liens has been cleared, there is no further holdback.

Mr. Speaker: The member for Downsview.

DIAL-A-BUS

Mr. Singer: Mr. Speaker, I have a question of the Premier. Could the Premier tell us, now that Ontario has substantially abandoned dial-a-bus for Metro and possibly for Sudbury, how much of the taxpayers' money has been spent for current costs, capital costs, staff costs and consultants' costs in connection with the whole dial-a-bus experiment failure?

Hon. Mr. Davis: Mr. Speaker, of course, the member for Downsview is one of those who are delighted to see the failure of any attempt to improve—

Mr. Singer: I am not delighted, I warned him in 1972 that it wouldn't work.

Hon. Mr. Davis: —transportation facilities, whether it's here or elsewhere in the province. I would only make this observation to him: While we are disappointed that two areas in Metropolitan Toronto have not been successful—or three—

Some hon. members: Three.

Mr. Lewis: Three and the Premier is cutting the fourth off at the knees.

Hon. Mr. Davis: —I would say to him that one I know rather well—it is in the new city of Brampton, the former community of Bramalea; prior to that, it was the township of Chinguacousy—is working extremely well. Perhaps this is the kind of area where the dial-a-bus systems will work to advantage.

Mr. Deans: Especially if they are black and chauffeur-driven.

Hon. Mr. Davis: I would be delighted to get this figure for the member, or the Minister of Transportation and Communications (Mr. Rhodes) would be delighted, I'm sure as well.

Mr. Singer: Yes, he would be.

Hon. Mr. Davis: I would make this observation to the member for Downsview. It may be, as we attempt new forms of transportation and new ways for people to move without the traditional use of the automobile, we will find from either consumer reaction or from practical standpoints that some of them may or may not work. I would only say to the member for Downsview that unlike the reactionary approach of his particular party, we will continue to seek new ways and means of moving people.

Hon. Mr. Grossman: They just want expressways over there.

Mr. Singer: Mr. Speaker, by way of supplementary: While the government eagerly continues to seek new avenues of approach, could the Premier tell us how in the meantime the people in the northwest sector of Metro are going to be able to move back and forth when they haven't got a road, they haven't got a subway and dial-a-bus is a dismal failure?

Hon. Mr. Grossman: Back to expressways again.

Hon. Mr. Davis: Mr. Speaker, if the member for Downsview is on the old campaign and if he is saying, as a matter of Liberal Party policy, that when the next provincial election is called—whenever that may be—the Liberal Party of Ontario is going to build the Spadina Expressway, I am glad to hear it and I wish he would say so publicly.

Mr. Singer: Did a lot of good up there, didn't it?

An hon. member: Cities are for people.

Mr. Deacon: Has the Premier considered any other ideas for making use of existing modes of transportation, such as interchangeability of rail with buses; such as posting schedules of when local suburban buses might be expected so people don't have to wait three-quarters of an hour or an hour for them?

Hon. Mr. Grossman: Does the member want us to spend more money on tests?

Mr. Deacon: Would he consider introducing some modifications to existing modes of transportation so that at least they can be used by people?

Hon. Mr. Davis: Mr. Speaker, I am delighted to hear this observation from the hon. member because, once again, consistent with the sometimes contradictory approach of the Liberal Party, I can only assume that the hon. member will be voting for the bill that we will be introducing to develop a regional transportation authority where these problems, in fact, can be resolved. I am delighted to hear that he doesn't feel that this is any encroachment on local autonomy and that we now have his publicly-committed support to this concept.

Mr. Deacon: I have been making it for five years and the government has done nothing.

Mr. R. F. Nixon: A supplementary: Since the minister has answered the question by referring to his proposal for a regional transportation authority, are we to assume that he is going to go forward with this, although all of the regions except Metro Toronto have turned the concept down as being not in their best interests? Are we to presume that as a matter of policy the Premier is going forward in spite of those resolutions opposing it?

Hon. Mr. Davis: Mr. Speaker, I don't recall the resolution from the regional municipality of Peel.

Mr. R. F. Nixon: Well they are there from York and from Durham.

Mr. Singer: He's got to do something with those wasted dial-a-buses. Lend them a few of them.

Hon. Mr. Davis: Mr. Speaker, I think you will find that York is not in fact—in fact, there was some discussion yesterday. There is another regional municipality out of the four that I think is relatively important, and I know the Leader of the Opposition tends to ignore it and I think he is well advised to do so. The regional municipality of Peel has not rejected it.

Mr. R. F. Nixon: The Premier has them in his back pocket.

Hon. Mr. Davis: There is some internal discussion as to one of the municipalities within the region wanting to be the carrier, under, shall we say, the authority of the regional carrier, and that, I am sure, can be sorted out. But I don't think that the region of Peel did in fact send me a resolution saying it didn't support the concept.

If the Leader of the Opposition is saying there is some reaction to it, I don't suggest for a moment that there isn't.

Mr. R. F. Nixon: Only a negative reaction.

Hon. Mr. Davis: If the Leader of the Opposition says that it is not the right thing to do, then I would like him to get up and say so. We are relatively satisfied that if we want to resolve the transportation problems of the very broad area, including Metropolitan Toronto, it makes very great sense to have a form of regional transportation authority.

Mr. Singer: Stop a few more highways and waste a few more millions.

Hon. Mr. Davis: If we want to come to grips with the problems raised by the member's deputy leader—his colleague to his right, philosophically and geographically—I would say the only way we can bring this about is through some form of regional transportation authority. I can only assume that once again the hon. members will be totally divided on the issue.

Mr. R. F. Nixon: The Premier has lots of good ideas. Why doesn't he use them?

Mr. Lewis: They have got nothing to do because he has no transportation policy.

Hon. Mr. Davis: Some will be in support and some will not. We think it is the right thing to do.

Mr. R. F. Nixon: No policies. The Premier feels like making a speech, Mr. Speaker. I would like to ask him a question—he won't answer it because he can't; he just makes speeches: Are we to presume then that he is abandoning his policy of consultation with the regions; after imposing the regional-type government on them against their will he is now presuming once again to decide what is in their best interest by way of regional transportation; and we are going to see this bill? Are we?

Mr. W. Hodgson (York North): That is wrong.

Mr. Speaker: Order.

Hon. Mr. Davis: Mr. Speaker, this is so typical of the Liberal Party in this province.

Interjections by hon. members.

Mr. R. F. Nixon: Answer the question!

Hon. Mr. Davis: They talk about consultation. Yes, we will have consultation. That doesn't mean that government policy can always be developed on the concept of total consensus.

Mr. R. F. Nixon: They don't like it and they don't like the Premier's proposal.

Hon. Mr. Davis: I recognize that's the way the Liberal Party would love to operate. As long as everybody is in agreement with what they want to do, they are then bold and courageous.

Mr. R. F. Nixon: The regions don't like what the Premier is going to impose, so he is going to do it anyway.

Hon. Mr. Davis: On occasion, Mr. Speaker, this government will, if it feels it is the right thing to do, after there has been consultation, have the intestinal fortitude to make a decision which may not be unanimously accepted by everybody.

Interjections by hon. members.

Hon. Mr. Davis: That is the difference between this party and that one.

Interjection by an hon. member.

Mr. Speaker: Order, there has been a sufficient number of supplementary questions.

Mr. R. F. Nixon: Questions? How about the answers?

Mr. Singer: There are no answers, just speeches.

Mr. J. Riddell (Huron): How does it feel to be on the defensive?

Mr. Singer: Dial-a-bus? Krauss-Maffei? Great transportation.

Mr. Speaker: Order. The hon. Minister of Housing has the answer to a question asked previously.

Interjections by hon. members.

Mr. Speaker: Order please.

PROPOSED COTTAGE SUBDIVISION ON NAPPAN ISLAND

Hon. Mr. Handleman: Thank you, Mr. Speaker. The hon. Leader of the Opposition asked a question last week, and it was followed by a question from his colleague, the member for Waterloo North (Mr. Good), concerning the Nappan Island subdivision

Mr. Speaker, this draft plan was originally not recommended for approval and a letter to that effect was sent from the subdivision branch to the Seymour township council on May 28, 1971.

A revised plan was subsequently reconsidered, but again was not recommended for approval. The staff recommendation in each case was based on the overall concern for the area in general and the unsuitability of the land for individual subsurface sewage disposal systems.

On March 21, 1972, a letter was received from the township council advising of their approval in principle for the use of holding tanks for this subdivision and supporting the development of Nappan Island. In the light of this, and after lengthy discussions with those agencies which had previously raised

objections, the basis for an approval in principle for a certain amount of development on the island was agreed upon.

Consequently, after exhaustive discussions between the owner and concerned agencies, the owner was given approval in principle by the Ministry of Treasury, Economics and Intergovernmental Affairs on Oct. 10, 1972. This decision was based upon the use of holding tanks and subject to a number of rigorous conditions. Approval in principle is felt to be necessary, since additional information was required in order to enable a more in-depth evaluation of the proposal by the staff of the then subdivision section of TEIGA.

An extensive study of the proposal was undertaken by the owner, and after a careful evaluation by the Ministry of Natural Resources and other concerned agencies, it was felt that the development could take place if certain controls were imposed. As a result, a meeting was convened on Sept. 30, 1973, in an attempt to resolve the remaining contentious issues affecting the proposal. Present at this meeting were representatives of governmental agencies, the municipality and the developer. After this careful appraisal of the various recommendations on the file, a formal draft approval was issued on Dec. 19, 1973, subject to conditions which incorporated the recommendations of concerned governmental agencies.

From the foregoing it can be observed that every effort is being made by the staff of the subdivision branch—now the plans and administration branch of the Ministry of Housing—to ensure that any development taking place on this site will be in accordance with the plans and stringent specifications of all concerned governmental agencies.

It seems to me that the matter has been carefully researched by the staff and if the developer can meet the very stringent requirements as laid down in the conditions, there will be no major problem with the development from a municipal or environmental point of view.

I'd be pleased to provide the hon. Leader of the Opposition with a copy of the draft plan approval so that he can examine the very, very strict conditions which have been laid down for final approval.

Mr. R. F. Nixon: A supplementary—

Mr. Speaker: The time for oral questions has now been completed.

Mr. R. F. Nixon: A total of 250 holding tanks there.

Mr. Speaker: Petitions.

Presenting reports.

Hon. C. Bennett (Minister of Industry and Tourism): Mr. Speaker, I beg to present to the House the annual—

Mr. J. F. Foulds (Port Arthur): It is good to see the Minister of Industry and Tourism begging.

Mr. Cassidy: Glad to know he really exists.

Hon. Mr. Bennett: —report of the Ontario Development Corp., the Northern Ontario Development Corp. and the Eastern Ontario Development Corp. for all of the loans made and all of the guarantees given for payment of loans setting out the amounts, interest rates, terms of loans and guarantees; together with names and addresses of persons to whom the loans have been made or in respect to whom the guarantees have been given for the fiscal year of 1973-1974.

During fiscal year of 1973-1974, an important increase has once again taken place in the activities of the development corporations. The number of loans and guarantees approved amounted to 401 applications with a total dollar volume of $59.5 million. This compares to 343 loans approved during the previous year with a dollar volume of $35.6 million.

Significantly, the greatest increase occurred in the financial assistance provided to the tourist industry, and has resulted from an expansion of the existing tourist programme which I announced in June, 1973. During the fiscal year of 1973-1974, the development corporations authorized 98 tourist loans for a total of $15.3 million in this industry. This compares to 45 loans for a total of $3.3 million in the year of 1972-1973. The expansion of the tourist programme will result in particular benefits for northern Ontario.

The effects of the creation of a development corporation for eastern Ontario during December of 1973 is being felt in bringing the services of the Ontario Development Corp. more fully into regional areas of the province.

Mr. Speaker: Presenting reports.

Motions.

Introduction of bills.

Mr. Deans: Mr. Speaker, before the orders of the day I want to raise a matter while the Premier is still here. Last evening at

10:29, the Minister of Agriculture and Food (Mr. Stewart), on behalf of the House leader, indicated that today we would be dealing with two pieces of business: one being the changes to the Municipal Elections Act, the other being the estimates of Treasury.

Last week we were told that we would be dealing with the speculative land tax followed by a series of bills, followed by the estimates of Ministry of Agriculture and Food. There was no indication at all that we would be likely going to the Treasurer.

Now, it just isn't enough notice to tell us at 10:30 on a Thursday night that we are going to do Treasury on Friday morning. Surely to God we can expect that the government could talk to us about it in advance. Maybe I could suggest, Mr. Speaker, that it wouldn't be a bad idea to send a note earlier in the day, or perhaps the day before even, that if we go over into Friday that the chances are we may have to change the order of business.

We have responsibilities, as does the ministry. We would simply ask that there be a little consideration given to the members of the House in ordering the business and that some discussion take place. I am sick and tired of the changes at the last minute.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, I will take the responsibility for answering the question.

Unfortunately, as far as the member is concerned, but very fortunately for me, the Premier and I had the pleasure of spending a day with the people of Ontario yesterday. And it was, indeed, a great experience. We were extremely well received too.

Interjections by hon. members.

Mr. Deans: What has that got to do with this?

Mr. R. F. Nixon: What is he talking about?

Hon. Mr. Winkler: Well, if the members will listen they will find out. I have consistently called the order of business for the past two weeks. Of course, the opposition takes the position, which is their privilege, that it has not progressed very well.

Interjections by hon. members.

Hon. Mr. Winkler: I do not like the derogatory statements they make about—

Interjections by hon. members.

Mr. Deans: Well, I don't much care whether the minister likes it or not. Why in hell can't he call business properly?

Mr. Speaker: Order, order.

Hon. Mr. Winkler: I have listened to the member for Wentworth do this week after week. Now, let him listen for a change. There isn't one ounce of courtesy in his mind, not one.

Mr. Lewis: The minister knows and we know that the Camp commission is held up now because the minister's colleagues can't distinguish between government and the Legislature. It is time that the House business is ordered properly.

Mr. Speaker: Order, please. Order.

Hon. Mr. Davis: One reason it is held up, is because of a particular problem we are trying to solve.

Hon. Mr. Winkler: That's right.

Mr. Lewis: No, I don't think so.

Hon. Mr. Winkler: That's right.

Mr. Speaker: Order, please.

Hon. Mr. Winkler: Mr. Speaker, I would like to explain to the House that the Minister of Agriculture and Food accepted an invitation to speak at a convocation today which complicated the calling of the estimates of his particular ministry. I therefore took the next one in line that was on the order, which I have shown to the opposition on more than one occasion, which was the ministry of the provincial Treasurer, and that is exactly what has followed.

As far as the item of legislation is concerned, I will let the Minister without Portfolio (Mr. Irvine) speak for himself in regard to the urgency of this matter. And I will now call item 20.

Interjections by hon. members.

Mr. Deans: I don't care about that piece of legislation.

Hon. Mr. Grossman: I don't care about what the member for Wentworth cares about.

Mr. Deans: That is exactly right. That is exactly right. Does the minister think this is a joke?

Mr. Breithaupt: I believe there is something that should be mentioned, Mr. Speaker,

and that is, of course, that the Treasury estimates were third or fourth down the line. I realize that the government House leader has difficulty on occasion in bringing forward the kinds of items in the proper sequence he would like to follow. I might suggest that it would have been perhaps practical, if a minister who had been scheduled was suddenly called away, that we could have today reverted perhaps to budget addresses, if there was an hour or half hour that could otherwise have been used. If consideration could be given to something like that in the future, perhaps we would be able to make some progress.

Hon. Mr. Winkler: Mr. Speaker, I agree with the approach of the hon. member for Kitchener. My difficulty in most cases is from previous experience that I do not want to call a ministry that conflicts with a ministry or a committee that is sitting outside of the House. That is it plain and simple.

Mr. Deans: Why doesn't the minister continue to do the legislation, as he said he would?

Hon. Mr. Winkler: They understand that, because that was a demand made from across the floor; not by us. I try to facilitate them in that manner. In regard to the budget debate, I had pressures on me the other week to call the debate, and when I did so there was a great dearth of speakers. Therefore I have resisted at the moment, but we will consider that in the next week or two.

Mr. Speaker: Orders of the day.

Clerk of the House: The 20th order; second reading of Bill 65, an Act to amend the Municipal Elections Act, 1972.

MUNICIPAL ELECTIONS ACT

Hon. Mr. Irvine, in the absence of Hon. Mr. White, moves second reading of Bill 65, An Act to amend the Municipal Elections Act.

Mr. Speaker: The hon. member for Kitchener.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, there are a couple of items that I think should be referred to, one more particularly than any other; in this bill, while we are making some minor changes to the Municipal Elections Act, we are still continuing to deal with one particular item in a way which we in the Liberal Party find unsatisfactory

I am referring, of course, to the items in section 5 which retain the words "or other British subject" concerning those who are able to vote in Ontario municipal elections. We believe that Canadian citizenship should be the only criterion on which a person should have a right to vote within an Ontario election.

I suppose that over the year—and we have made these arguments when this bill and others dealing with electoral reform have been brought to the House in these last several years—there was historically some view that those who had come from the British Isles particularly and had a tradition of a parliamentary form of government would, as a result, be able to fit in very quickly into our similar form of government.

However, the patterns of immigration have changed substantially. Many who have the technical right and ability to be known as British subjects come from countries where the parliamentary form of government is not as strong or as widely known as we might hope it would be here. On the other hand, those who have come to Canada in recent years have come substantially from other nations which are not under Her Majesty's former Empire and now Commonwealth.

As a result, Mr. Speaker, we feel that amendments should be considered in these particular items and, we hope, accepted by the minister to remove this situation. The words "or other British subject" had some value in years before. We do not deny that in the slightest. However, with the changes in our own society, with the requirement that we believe it is important to encourage citizenship, we feel that now is the time to further amend this Act.

There are those of us who have looked with favour upon the recent changes in the federal Elections Act. As you are aware, Mr. Speaker, all those persons who will be able to vote after 1975, I think, will have to be Canadian citizens and the matter of being a British subject will have passed in an honoured way into part of the history of our nation.

I think it's time to pass this kind of continuing approach in an honoured way into the past history of our province. I think that the matters of residency, of Canadian citizenship and of the age of 18 years, constitute a sufficient and honourable package by which those who are going to have the privilege of voting within our election, and indeed the right to vote within our election, should come before the ballot box.

There are many other sections which I think can be dealt with in committee, because there are particular questions that we will want to ask, especially in some of the details with respect to reprinting of various lists and matters such as that. However, I think that the only item of real principle in this bill is the matter to which I have alluded, and I hope the minister will consider the amendment we are certainly going to propose in order to make this a better statute.

Mr. Speaker: The hon. member for Yorkview.

Mr. F. Young (Yorkview): Mr. Speaker, there are a couple of matters that I want to speak about in connection with this bill. The hon. member for Kitchener has mentioned this matter of being a British subject and wanting to eliminate this. Perhaps that has some validity, although I would think that the federal approach where we are going to get this gradual change to Canadian citizenship over the years would be adequate.

There is one other thing which I would also like to stress in this connection. To me and to this group, citizenship should be available at less than five years when landed immigrants demonstrate that they want to become Canadian subjects. They buy property; they become part and parcel of a community; they learn the language; and they are anxious to become Canadian citizens. I know this is a federal matter. But certainly to me at least, there should be some provision federally for landed immigrants to become citzens well before the five-year period. That should be dropped to at least three years, and possibly less than that, if the qualifications can be met. However, that will come in due course, perhaps at the federal level, and it has very little to do with this particular bill under consideration today.

In the other part of section 5, I would like to stress the fact that we are maintaining the old part of the feudal system where we are giving property owners a dual voting power in municipal elections. I know this was cleaned up a bit in the original change a few years ago, but a person who owns property in two or more municipalities can still vote in those municipalities. A logical step at this time would seem to be that a person owning multiple properties in different lower level municipalities within a regional government should have only one vote in the total regional government. That should be incorporated here, and it isn't.

I think also we have to face the fact that sooner or later cottage owners—and this perhaps is one of the reasons this remains here—who feel that they want something to say in the municipality where the cottage is situated will ultimately have to make a choice. If we are going to think seriously in terms of one man, one vote, they are going to have to think seriously as to where they want their vote to fall. It may well be their interests in the cottage country may be such that they feel their influence there should be exercised to the exclusion of the influence in the city where their principla residence may be. Eventually, I think, Mr. Speaker, this legislation must be revised to the point where one man, one vote does become reality at the municipal level, and cottage owners must make their choice as to where that vote should lie.

In connection with the shortening of the time for registration of voters, I am a bit concerned there. We are cutting that down quite drastically. There is no reason, in my opinion, why we couldn't use the device we use in the upper levels of government where we issue supplementary lists and register right up to within a reasonable time, a week or so before the actual election. This would give time to get out the supplementary lists and put them in the hands of the people who are concerned. To shut off the lists at the time specified here would seem to be leaving too big a gap between the time of a shutoff and the election. Many people don't get too excited about elections until they are pretty close, and for many reasons. Perhaps people are out of the country on holidays or away on business, and until close to the deadline of the election they may not find it convenient to get their names on the list. If we could provide for supplementary lists to be issued just before the election and the deadline set a week or so before the actual voting day, I think the bill itself could be greatly improved.

The other sections of the bill are pretty well housekeeping and I don't think they need too much comment here this morning. We agree with most of them. We will support the general principle of the bill but we do want to register these objections to certain clauses and certain subclauses that we find here today.

Mr. G. E. Smith (Simcoe East): Mr. Speaker, may I interrupt the routine of the Legislature to introduce to my colleagues 35 students from the Medonte West Central School of Hillsdale, Ontario, who are accompanied by their teacher, Mr. Goodall. They are situated in the west gallery; and I know

that the hon. members would like to join with me in welcoming them.

Mr. Speaker: The hon. member for St. George.

Mrs. M. Campbell (St. George): Thank you, Mr. Speaker. I am not going to dwell on the aspects of the bill which have already been covered. I would like simply at this time to express my concern, as the bill is before us, that we are still considering the two-year term of office. I worry about this because it seems to me that having a two-year term, particularly in the light of the major regional involvement of government, simply enables this government to centralize power more and more to itself and takes away from the local or regional municipalities the opportunity to do any long-range planning or study for their area.

I recognize the fact that in enlarging a municipal term of office, one does face the problem that under our system once elected there is no opportunity for recall. Nevertheless, at this point in time I cannot understand why, day after day, I hear minister after minister in this House charging municipalities with responsibility for housing, charging them with responsibility for garbage disposal, charging them in many cases with responsibility for local transportation systems and all other sorts of planning which require time and continuity.

What happens under such a shortened term is that in the municipality, as here, what you get is control by the civil servants. I'm not denying their ability, but you get that kind of control because they have the continuity which the elected representative does not have.

I recognize the fact this is not new in relation to this particular bill, but I would like some response from government as to whether any consideration is being given to this matter, with possibly some kind of co-operation with the municipalities to face the very question of the possibility of recall where there is an extended term so that they may have, in fact, the opportunity to take the responsibilities which so many times they are charged with neglecting. I would like some response, because I feel very strongly on this.

It is rather strange, if you consider a municipality such as Metropolitan Toronto, with its heavy fiscal responsibility and with the population which it administers, and then contemplate the strange situation where a province, such as for example Prince Edward Island, has the opportunity for greater self determination. It doesn't make sense.

Thank you, Mr. Speaker.

Mr. Speaker: The member for Hamilton Mountain.

Mr. J. R. Smith (Hamilton Mountain): Thank you, Mr. Speaker. I have listened with interest to the remarks of the member for Kitchener and I feel impelled to enter the debate at this time, having heard what he had to say about the inclusion of British subjects as qualified electors.

These remarks somewhat disturbed me because it is very fashionable in Liberal circles, consistently during the past 10 years, to keep working on the gradual erosion of all aspects of the British connection, monarchical symbols and other items in our heritage.

Mr. M. Cassidy (Ottawa Centre): The member, Sean O'Sullivan and John Diefenbaker are in the same camp.

Mr. J. R. Smith: I am very proud to be associated with all of those individuals, Mr. Speaker, and I am certain most of the electors in my constituency would also be proud of that association.

Mr. Cassidy: The member wants to make sure it is on the record just in case.

Mr. J. R. Smith: The founder of this party, after all, was Sir John A. Macdonald, whose famous line was: "A British subject I was born, a British subject I will die." I think that was always a very proud aspect to be able to look at our passports—a Canadian citizen and a British subject. We know full well the federal government has enacted legislation which eventually will oblige—or compel by legislation—all Canadians wishing to vote in future federal elections, who are presently British subjects only, to qualify as Canadian citizens as well.

This has been a move many people have taken up and have so qualified; but, Mr. Speaker, there are also many individuals to be considered. I am thinking particularly of the heavy immigration to this country from the United Kingdom in the early part of this century. These people are now in their late 70s and 80s. They have worked and fought for this country through World War I; they went through the great depression, and at that time the taking of Canadian citizenship wasn't really considered a necessity. It was considered almost as dual citizenship.

As this country has matured, things have changed. Nevertheless this is a group Pierre Trudeau might think he is getting at and eliminating a lot of these people by forcing them to take out Canadian citizenship. Mr. Speaker, by the same token I think it is a very underhanded drive and a concerted effort to eliminate this faction, particularly this group of people.

There has been very little immigration from the United Kingdom in recent years. This is hitting at those people who have been in this country, many of them for 50 or 60 years. They love Canada and I am glad at least the Province of Ontario continues to recognize their rights in this country and that they qualify for voting in provincial and municipal elections.

Mr. Breithaupt: Mr. Speaker, I rise on a point of personal privilege. I feel the remarks alluding to me by the member for Hamilton Mountain have impugned my loyalty to the Crown. There is no member of this House who is more committed to the monarchical form and system of government which we have in Canada than am I. There is no member of this House who is more proud to be a Canadian and who places his Canadian citizenship, as it should be placed, in supporting this form of government we have which I subscribe to as the best form designed by man.

I think that not only some 20 years' service in our militia forces but various other aspects of my activities in this community and the Province of Ontario should have saved me from that kind of comment by the member for Hamilton Mountain.

Mr. J. A. Renwick (Riverdale): The member for Hamilton Mountain should withdraw his remarks.

Mrs. Campbell: He should withdraw his remarks.

Mr. Renwick: An apology is in order, Mr. Speaker.

Mr. Speaker: The member for Ottawa Centre.

Mr. Cassidy: I support a couple of comments made by the member for Yorkview on this particular bill, Mr. Speaker. I think in practical terms it is going to introduce some real difficulties in the conduct of municipal elections because of the further advancement, to a date even further ahead of the election, of the making up of the election lists.

I have been through this in a practical way as the member for Grenville-Dundas (Mr. Irvine) has. But in an urban riding in particular, I think the problem is probably more intense than it may be in a town like Prescott.

In an urban riding in a downtown ward, for example, there is a fairly high rate of movement of people in and out because of people living in apartments, in rooming houses and so on. It is more difficult to carry out the enumeration. People are more liable to be away on holidays and that kind of thing. It is harder to get information from the neighbours about who is there and who isn't there. The enumeration is therefore liable to be less accurate because of when it is taken, because of the transiency rate and all of these other factors.

In addition, for a number of reasons which we simply have to put up with—it's a fact of life—people don't tune in to the fact of there being a municipal election, and therefore of the need of their getting on to a voters' list, until the time the campaign is in full swing.

What that means is that until the candidates are actually nominated—and that usually means around the official nomination day, 14 or 18 days before the election—people really aren't tuned in, apart from those people who are constantly politicized, such as local Conservative organizers or local New Democrats. As far as the public in general is concerned, it couldn't matter less until the last two weeks when they really come to grips with it.

The situation is not all that dissimilar from the federal election where the enumerators in the past week have been finding that many of the people they are enumerating are only now aware that a federal election is on. Inevitably there will be that five or eight per cent federally who will be coming into committee rooms some time around mid- or late June to ask: "Am I on the list?" and then reacting. And, equally inevitably, there will be some who will find themselves disappointed.

At the municipal level, the Act continues to permit a certificate procedure in order to allow people to become entitled to vote right up to election day—it may even include election day—and allows swearing in, in small municipalities. Once again, though, in a large municipality it is left to the local election

officials as to whether that right to get the vote through a certificate is accessible, whether it is easy to get or exceptionally difficult.

It isn't that long ago in the city of Ottawa that the telephone numbers for checking your name on the voters' list used to open at 9 a.m. and close at 5 p.m., the hours that people were at work, and there were so few lines that the lines were constantly jammed. It was no use. People would phone day after day and eventually they would give up and say: "Oh, the heck with it." That situation is getting a bit better.

In a city the size of Toronto it may be very difficult for many people, particularly the kind of people who are most likely to get overlooked or left off the enumeration lists, to get to a central place in order to swear and have a certificate filled out. As I recall from the amendments, personal presence is required, rather than simply the name being passed in by the workers for a particular candidate, as can be done on the supplementary list. Is that correct? Perhaps the minister could nod his head if I have it correct. Okay.

This means, then, that after about November 4 or 5, when the supplementary list is closed, as I recall, the people are going to have to get down to the city hall or some other place, unless the electoral officer in the clerk's office of that municipality ensures there is somebody in each ward or in each district at easily accessible times in the week or so prior to the actual election. And we leave that up to chance.

I would suggest that the supplementary procedure is almost useless. We get most of the voters, of course, with the preliminary list, the enumeration being made in September. But the supplementary list will catch very few, apart from those electors who are picked up during the process of cross-checking previous assessment lists say, and that first electoral list. We'll get the typos and the misprints, but we won't get the people who were missed during the stage of the actual enumeration.

The other point I want to comment upon, Mr. Speaker, is the question of the entitlement to vote. The member for Yorkview has said, and we state as a party, that the multiple vote for people living within the same regional municipality should end—and it should end in this particular bill. It was an oversight in the last one; I don't know whether the government intended to leave it in or not, but it simply seems to us to be wrong that some person should have the right to vote five or six times for members of Metro council in the municipality of Metro Toronto or 12 or 13 times in the city of Ottawa, depending on where they happen to own property or where they happen to be assessed. That's crazy. I know we are working towards this by a certain process of evolution, but just for the record, the elimination of the multiple vote within municipalities has done a great deal to solve the kind of problem that again existed in downtown areas, such as the downtown wards of Toronto, London or Ottawa, where as many as 15 or 20 per cent of the "electorate" were, in fact, non-resident property owners, lawyers or other people who are on the assessment rolls as non-resident. Nevertheless, there are still many suburban merchants, lawyers and other people like that who wrongly have the vote in areas where they own property within the same regional municipality, and that should end.

The question about people who own property in another part of the province, for example in a cottage area or in another municipality hundreds of miles away, is clearly not as serious. On principle, I think the position probably ought to be that people elect where they wish to carry out their municipal vote, and that as part of the process of signing in, there would simply be a declaration that this is where they choose to vote if they happen to have the right on their assessment to vote in two or three places. That would mean that cottage owners could decide to vote either at their principal residence or at their cottage residence. Nevertheless, the government isn't prepared to go that far at this stage, and for that matter I don't think we would insist upon it either. But the question of multiple voting within a regional municipality should be dealt with at this time.

The third thing the member for Yorkview commented upon and on which we heard from the member for Hamilton Mountain was the question about the entitlement of non-Canadian citizens to vote. I have to declare interest in this since my wife, who has been in Canada for about nine years now, is a British subject but has not yet chosen to become a Canadian citizen, despite my blandishments and encouragement.

Mr. Breithaupt: She wants a way out!

Mr. Cassidy: The crunch may come for her in the 1976 federal election, when I understand she will not have the federal vote.

It seems to me, as a New Democrat, that the municipal vote of all the votes is the one which impinges most closely on an elec-

tor, whether he is an owner or a tenant. His kids go to local schools if he has a family; he trips over the potholes in the street outside of his residence; he suffers if the neighbourhood deteriorates because of inaction by the local government. In many cases if he has a problem with government at whatever level, be it local, regional, board of health, board of education, provincial or federal, it is the local alderman to whom he feels closest and to whom he often will go first.

It seems to me that the participation in political life at the local level is a very valuable means of learning about this country, and that it is a right that ought to come to people very early when they come to this country. The process of leaving one's own country, of becoming a landed immigrant, of living in Canada for a year, of working, of contributing at all three levels in taxes to the life of the country, all bespeaks a very substantial commitment to Canadian life. It is a sufficient commitment, Mr. Speaker, that I would suggest, as a New Democrat, that we should give the municipal vote to landed immigrants who have been in Canada for one year.

That would include British subjects obviously. It would also include people who have come to us from Italy, from Portugal, from the Philippines, from Japan, from Hong Kong and from any other part of the world. It is hard to see the problems of some treasonable plot to take over municipal government by a bunch of people coming from Botswana or something like that. That is simply not going to occur. It would simply recognize the degree of commitment that people have when they settle in Canada and the degree of involvement that everybody feels in local government. I think this would be particularly important because of the fact there are certain areas of our large cities that have naturally become immigrant reception areas. For example, the area just to the west of the Legislature here in Toronto, and parts of my riding in Ottawa, are the areas to which immigrants naturally go and spend their first few years in Canada. They often then move to other parts and become more integrated in Canadian society.

During those early years, the schools that educate their children and the services that are provided to their homes and to their communities are provided by governments in which they have little or no say. It seems to me it's important that we shouldn't leave 20, 30, sometimes even 40 and 50 per cent of the population of some of these wards disenfranchised because of the state of municipal election law.

I would therefore urge the minister that he accept or even introduce an amendment that rather than confining the vote only to citizens and British subjects, it be extended to all landed immigrants who have been landed in Canada for more than one year. God knows what kind of objections will be raised. I am sure it's easy to raise a few. Those objections, Mr. Speaker, will apply, I would suggest, to an infinitesimally small minority of landed immigrants.

The suggestion that they are not fully Canadian until they take out citizenship is absurd. The suggestion is really absurd that a person should be disenfranchised at the municipal level who has been in Canada, in some cases for six or seven or 10 years, and who has had that kind of commitment to the country, but who doesn't happen to have taken out Canadian citizenship for various reasons. The suggestion—I am sure that some members of the Conservative Party, I hope not the minister, are capable of it—that this would somehow enfranchise the Mafia is equally absurd, and it's a slur on a particular immigrant group who have contributed a tremendous amount to Ontario society.

So I very seriously urge the minister to consider this proposal. If the bill isn't coming back in committee today, he should discuss it with his officials and maybe even with the cabinet, and introduce it as a very concrete way of showing that not just the government but all parties in this Legislature welcome the contributions being made to Ontario by the hundreds of thousands of immigrants who have come to this province over the last few years.

Mr. Speaker: The hon. member for Sandwich-Riverside.

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, may I introduce to the members who are present in the House a group in the east gallery from Roseville Public School—about 70 grade 8 pupils, parents, teachers under the leadership of principal Stephen Payne and vice-principal George Plantus, both of them my former pupils. I should like the members to welcome them.

Mr. Speaker: The hon. member for Windsor-Walkerville.

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I'll cede to my leader.

Mr. R. F. Nixon (Leader of the Opposition): Well, thank you—

Mr. Cassidy: Did he say "secede" or just "cede"?

Mr. R. F. Nixon: "Accede." I appreciate the gesture of my colleague and I will look forward to hearing his comments on the bill as well.

I found the statement made a few moments ago by the hon. member for Hamilton Mountain extremely offensive—and I must say that to him. To indicate that our party, federally and provincially, is embarked on some sort of a plot to cut the so-called British connection is something that is offensive to hear and which I must object to at the first opportunity.

I must also assure the hon. member that is not so, that the policy of the party is not that; it is rather to recognize the role played in a modern nation, not on the basis of "a British subject I was born and a British subject I shall die"—a phrase that I really didn't think I would hear again in this House—but rather on the basis that this nation has its fabric and its strength now not only in those who came in the past and are still coming from the British Isles and what used to be called the Empire or the Commonwealth, but those who have come from nations in all parts of the world and who are just as proud of being Canadian as anybody from Hamilton Mountain or South Dumfries township or Ottawa Centre.

I don't want to get too exercised about this and I don't want it to sort of develop into some comparison of antecedents as to who is more strongly Canadian than anybody else, but I would just say that the time has come in this Legislature when a section such as section 5 which says one doesn't have to be a Canadian citizen as long as one is a British subject in order to take part in political activities here—electoral activities at the municipal level—surely that day should be gone?

We had expected to put an amendment in committee which would strike that out. We believe the policy of the government of Canada to phase it out is a good way to do it, because it has been part of our tradition that one doesn't necessarily have to be a citizen of Canada. As a matter of fact, until a few years ago there wasn't such a thing; a person was a British subject if he lived here and that was the basis upon which he took part in our democratic process.

We should be proud of the fact that has changed. When people say the policy of our party is against those people who come from the British Isles and don't chose to become Canadian citizens, I reject that. It simply accepts the reality of the community as it is, with 200,000 Italians living in this city alone.

The concept put forward by the member who just spoke and who said there are certain communities to which immigrants tend to come first and then they move out into the rest of the nation is only partly true. I happen to represent a largely rural area. I have a substantial mix of all sorts of people from different nationalities. I think of my next neighbour who comes from the Netherlands with a big family and is one of the best farmers in our area.

To suggest the British subjects have some sort of a right to vote because they took part in the defence of the Commonwealth or something is just pure rot. These people fought in two wars and suffered far more than I did and, I suggest, far more than the member did. It is simply a concept that is unacceptable.

I tell the members it is very hard when one talks to them about their democratic rights and why they should become citizens and take part in the democratic process. They say: "These people who have recently come from England don't have to take out citizenship. Why is that? Isn't it true that you are run from England, so to speak?"

These are the questions put to me and, of course, we say this is not so. We are proud of our traditions and the extraction of our method of government and the extraction, I suppose, of many of our concepts and ideas. But we are also now proud of the independence of our nation.

For that reason, since it's been raised under these terms, I must ask my colleagues to oppose this bill in principle. We will offer an amendment and we will be prepared to discuss it, but I would hope the minister could give us some statement that at least government policy is going to follow the changing traditions of our nation and base the requirements on Canadian citizenship, on being a resident in the municipality and being of the age of 18. Surely these are the qualities that are reasonably acceptable?

I would hope, Mr. Speaker, that the House would give further consideration to the con-

tinuing inclusion in this bill, under section 5, of the special rights of the British subject.

Mr. Speaker: The member for Peel South.

Mr. R. D. Kennedy (Peel South): Mr. Speaker, I want to speak with respect to section 5 on another topic, because I notice, if I am reading it correctly, there is discrimination here: Discrimination against ladies and against women's liberation.

The new section 12 starts out, "A person is entitled . . ." and so on and at the end, just before clause (a), the last line reads, "second Tuesday in October in an election year he . . .". I suggest, Mr. Speaker, that it should be either "he or she"; or I would suggest the word "he" be deleted and the words "that person" be inserted. I would move that. And the same actually—

Mr. Cassidy: The member is obviously being influenced by sitting next to the member for Scarborough East (Mrs. Birch).

Mr. R. F. Nixon: She's done nice work.

Mr. Kennedy: Members can see the benefits of sitting beside very astute lady members.

Mr. Cassidy: That makes 75 male chauvinists left in the Tory government.

Mr. Kennedy: Similarly, Mr. Speaker it applies to the new subsection 13, just before clause (a), where the word "he" is rather offensive in that it should be "that person."

Mr. Cassidy: Isn't it a pity the member isn't concerned about equal employment rights for women?

Mr. Kennedy: I would either move an amendment or perhaps the minister would see the validity of this observation and move it on behalf of all the lady electors in this great province and ensure that women electors are not denied any rights.

Mr. Cassidy: Doesn't the member know that women are grossly underpaid compared to men in this province?

Mr. Kennedy: Is it the desire of the Speaker that I so move or will the minister?

Mr. Cassidy: Has the member fought for a universal day-care system in this province?

Mr. Kennedy: Pardon?

Hon. D. R. Irvine (Minister without Portfolio): Mr. Speaker, I think it's going into committee of the whole House and we'll deal with it at that time.

Mr. Kennedy: The minister will take it from here, will he?

Mr. Speaker: The member for Windsor-Walkerville.

Mr. B. Newman: Thank you, Mr. Speaker. I wanted to make a few comments on this bill and the first is the one which has been the most popular so far this morning and that is on section 5.

One of the good things concerning legislation is that there should be more uniformity. The Education Act specifies that to be a candidate for membership on a school board an individual must be a Canadian citizen. I had an instance in the last municipal election when a gentleman who was a British subject attempted to run as a school board official and was denied the privilege.

I think, Mr. Speaker, if we are going to have uniformity, one of the requirements should be that the individual be a Canadian citizen.

The other point I wanted to comment about concerns publishing the notice in a newspaper having general circulation in the community. That is under section 12. In the larger communities, we are confronted with newspaper stoppages as a result of strikes so I think there should be an alternative and that would be to use other media. I would suggest that radio and television or cable television be included so the public could be informed, in case of a newspaper strike, of the last day of filing and the preliminary list of the electors.

The third area on which I would like to comment, Mr. Speaker, concerns the selection of the polling stations. I think in each community there should be a number of polling stations on the ground floors so that our handicapped, our elderly who have walking disabilities and difficulties, do not have to go to their closest polling station to vote or to the polling station in which they happen to be recorded as an elector. There should be a series of these scattered around the community to accommodate those who have this physical handicap. They should not be in the city hall in a large community because transportation difficulties would be one of the problems that may confront a citizen in an attempt to vote. They should be regionalized. In the city of Windsor there could be half a dozen scattered throughout the community.

They could be not only for those who have physical handicaps, but could be for others who would prefer to vote on the ground floor level. There are senior citizens' centres

in many communities so we do have areas on the ground floor level which could be selected as polling stations to accommodate those who have some type of physical handicap. The physical handicap might be just for the given day, election day only, and they should have that privilege of voting without adversely affecting themselves.

Too often polling subdivisions or polling stations are in homes and one has to go down a half a dozen steps and that is asking a little too much. In the selection of polling stations, I think wherever possible they should be located in homes which have the fewest number of stairs for the individual to climb and they should be, where possible, on the ground floor level.

The other suggestion I would make is the consideration of having polling stations in hospitals so our sick could actually vote in the hospital and would not have to vote by proxy or be physically transported from the hospital to the polling station.

Mr. Speaker, these are the few comments I have concerning this bill.

Mr. Speaker: The hon. member for Waterloo North.

Mr. E. R. Good (Waterloo North): Thank you, Mr. Speaker. I have a few comments.

First of all, I think it is significant that when the School Administration Act was changed, in 1968 I believe when we went to county school boards, it was the present Premier (Mr. Davis) of the province who accepted the amendment in the standing committee that one of the criteria for a member of the school board is that he must be a Canadian citizen.

This has been something which we thought at the time would over the next few years be followed up in all our general legislation dealing with elected personnel, and also the right to vote within the province. So I too am surprised to hear the present situation which gives the right to vote to Canadian citizens along with British subjects so opposed by a member of the government side, some six or seven years after it was first introduced into legislation in the province.

We have been unable to get this idea across in any other legislation. When we proposed that the chairman of our regional government should be required to be a Canadian citizen, that idea was not accepted by the government.

But it applies to members of the boards of governors for universities. We have had that idea accepted by this present government at three of the universities across the province; first at the University of Toronto, then at Waterloo and recently at Western. So we find that is is a very gradual process. But I feel, as does the leader of my party, that we should be proud to be Canadian citizens. Anyone living in Ontario and wanting to participate in our democratic process should be proud enough of his country—after they have been here some time—that he or she should want to become a Canadian citizen. I see nothing that reflects anything on any British subject by saying that if they do not choose to be a Canadian citizen they should not be given the right to vote.

There are one or two other matters, Mr. Speaker, to which I would like to refer under sections 53 and 55 of the Act. It concerns a voter who is required under certain conditions—if his vote is challenged, or if someone has already voted—to swear an oath. One of the new amendments in this bill eliminates the various forms in which an oath may be taken.

My concern is this, Mr. Speaker, to the minister: I would hope the elimination of that section, which states the various forms in which an oath can be taken, would not eliminate the right to affirm rather than take an oath. It is surprising at times the number of people who do not wish to take an oath but reserve their rights to affirm. All of our legal procedures allow the right to affirm, rather than taking of an oath. I would hope that this section, which repeals the manner of the selection of the type of oath to be taken—because now all oaths are in one prescribed form—I would hope that the one prescribed form would deal only with the taking of an oath and would not deal with the right to affirm.

As mentioned by the member for Windsor-Walkerville, the amendments in the bill state that the returning officer must provide a polling station in hospitals which are inhabited by senior citizens, veterans' hospitals, old people's homes and things of that nature; but it makes it permissive now, instead of compulsory, to require a polling station to be set up in nursing homes of over 20 beds. I am wondering why this change is being made. Why should nursing homes not be included with other types of hospitals in which a polling booth must be established?

I wonder, too, Mr. Speaker, why a regular general hospital is not included in the list of institutions where a polling station is required to be put by the returning officer? Perhaps when the minister responds he will answer some of my concerns.

Mr. Speaker: The hon. member for Downsview.

Mr. V. M. Singer (Downsview): Mr. Speaker, I want to comment on just one point in this bill, and that is the continued inclusion of the words "or other British subject." I am sorry the member for Hamilton Mountain has taken himself out of the chamber. Perhaps one of his colleagues could indicate to him that I had a few comments in regard to this and draw my remarks to his attention.

I was a member, Mr. Speaker, of the select committee on election law that was set up some time ago. We discussed this very point; in fact I think I put a motion before that committee that the words "or other British subject" be deleted. I was supported in that motion by my Liberal colleagues, by the NDP, and fascinatingly enough by one or two of the Tories. The now Minister of Natural Resources (Mr. Bernier), I recall, was quite determined that the words "or other British subject" were not appropriate in an Ontario election law.

However, if there are Neanderthals to be found in government they can be found amongst those who inhabit the back benches of the Tory party; and the Neanderthals of that day voted against the deletion of those words "or other British subject."

I was fascinated to learn that the member for Hamilton Mountain talked about the two wars in which this country has participated since 1914—

Mrs. Campbell: He certainly wasn't in them.

Mr. Singer: I know many members of the House took part in those wars. The member for Hamilton Mountain is perhaps a bit too young to have taken part.

Mrs. Campbell: Yes.

Mr. Singer: For myself, and I think for those members of the House who were part of the armed forces, we took part as Canadian citizens; and we were proud to be Canadian citizens.

Mr. D. M. Deacon (York Centre): Under the maple leaf emblem.

Mr. Singer: This doesn't mean that we have no affection for the British connection or the Commonwealth, for the great legacy that the British government has given to the world, for the language, for parliamentary customs, for the judicial system and so on.

But surely, Mr. Speaker, this government has to come into the year 1974 and recognize what Canada is all about. We are here because we are Canadian citizens. We like our country. We are where we sit in this Legislature because we think we can be of a little service to this province and to this country—not really to the Commonwealth of Nations and not really because we are British subjects, but because we are Canadians. That is what this argument is all about.

From time to time, the government breaks through, as my colleague from Waterloo said, and a great spate of nationalism sweeps through to the boards of trustees of universities and we have something in the Corporations Information Act—all sorts of important changes have been made.

Now why should we listen to the Neanderthal mumblings of the member for Hamilton Mountain when once more we come to debate the continued inclusion of the words "or other British subject."

Surely it makes abundant good sense, Mr. Speaker, that anyone who wants to participate in an election, as a person who lives in this country and as one who wants to share the democratic privilege, should at least become a Canadian citizen, no matter what part of the world he came from.

I would urge the minister to clear up what some of us feel is a very serious matter by agreeing with the criticisms that have been put forward.

I am sure it is not a real point of government policy. It's a point that is put forward once in a while by Neanderthal-like people, who get up occasionally and make speeches. By 1974 I would have thought that idea would have disappeared.

Mr. Speaker: The hon. member for Riverdale.

Mr. Renwick: Mr. Speaker, I share the dismay that has been expressed about the jingoism of the statement by the member for Hamilton Mountain, but that is obviously now going to force a division in the assembly on the principle of the bill because of the feelings expressed by the members of the Liberal Party.

I just want to make our position clear on the bill. We will support the government on the bill because we believe that the qualification for voting should be not only Canadian citizenship with respect to municipal elections, but should also be somewhat larger than a class limited solely to Canadian citizenship. That class is, as expressed by my colleague, the hon. member for Ottawa Centre when he spoke, namely persons who

have landed immigrant status in Canada of at least one year's duration. That would include, as my understanding would be, British subjects as well as a large number of other people who have made their commitment to this country and have been here for some considerable period of time.

For that purpose, therefore, when the matter comes before committee we will deal with it appropriately; but I just wanted the record to be perfectly clear as to the position of this party with respect to the division which will undoubtedly take place in a few minutes. The reason of course is perfectly clear, Mr. Speaker. I do not think that at a municipal election level, we should disqualify, for up to and beyond five-year periods, persons who have made a very profound commitment to the country by leaving their homes in Greece, in Italy, in Portugal and in any number of other countries in order to come here and contribute to the life of the country, persons who are paying taxes at the municipal level and who, as my colleague the hon. member for Ottawa Centre also has said, cannot be charged on any basis of having some lack with respect to their loyalty to the country. That is a very earnest and positive commitment. Therefore, while we would wish the clause to be somewhat widened, we will support the government on the bill and then in committee deal with the extension to which we have referred.

Mr. Speaker: The hon. member for York Centre.

Mr. Deacon: Yes, Mr. Speaker, I also would like to make some comments about this matter of Canadian citizenship.

I'm interested in the comment made by the hon. member for Riverdale about the idea of someone with landed immigrant status. Although we feel that has merit, we are concerned about the fact there would be no need at any time for anyone to take out citizenship if that were the only criteria, and there should be moves made by us to persuade the federal government to shorten the period from five years to a lesser period for those who have decided to make a commitment to this country to become citizens of Canada. When we get before committee of the whole House we may be able to work out an amendment which would provide for voting for a period if they had taken out landed immigrant status but had not yet had an opportunity to exercise their right to become Canadian citizens.

I would like to add my comments also to this matter of being a British subject. I was born 54 years ago, a WASP, in this city. And I'm proud of being a WASP. I also have come to recognize the tremendous contribution made by other people who have come from other backgrounds and other beliefs and who make this country great, because this country is a mosaic. Our legislation is such that time and time again we tend to insult and denigrate the position of these others, because we WASPs haven't recognized their own feelings of pride which we should be trying to increase and emulate.

I can understand the problem that is faced by people who have emigrated to this country from the British Isles many years ago and who are proud of being British subjects, because I am proud of being one too. But I also recognize that this country will not be a strong country until all who come here recognize they have equal rights and an equal position with us as Canadians; that there isn't a special privilege because we happen to come from British stock or some other background that gives us an advantage over someone else who has arrived from Italy or Germany or some other part of the world, who in himself or herself has made a commitment to make this a great country.

I am pleased there have been moves made where there is going to be an opportunity for people to learn in school in their own native language. One of the moves being made by the Toronto Board of Education that I think is most progressive is that in a school which is in a Greek or Italian neighbourhood, the prime teaching language would be Greek or Italian or whatever the language of the prime area may be, and English a second language. It is well known that people are much more secure in themselves, in their whole being, if their heritage is not being threatened and is not being denigrated. I urge the minister to remove this clause which puts the British subject in a special position and to be consistent with other legislation.

We are certainly no longer in a position where we can be snobs, those of us who have this background, because we recognize that the true riches of this country are made by all the peoples of whom it is made up; the native peoples and those that have come from different backgrounds, whether white or otherwise. Canada's future depends upon our recognizing the basic nature of what a Canadian is. A Canadian is one who has made a commitment to this country and cut his citizenship ties with any other country from

which he may have come. These people are truly Canadians.

It's interesting, in a study that has been made recently of the history of French-Canada and English-Canada, to recognize the very strong common thread that runs between the French and the English who became Canadians, who decided after they came to this country that their country was no longer France or Britain but Canada. They were a race who were known for their enterprise, for their adventurous nature in exploring the realm of North America, of working indeed with the native people in a way that neither of the two major parent countries, France or England, were capable of understanding. If you read the background and the history of those who are truly Canadians you'll understand that.

Let's come up with legislation here that recognizes indeed that we are Canadians now. We are not ashamed of our British or our French or our Italian or German background or whatever it might be. In fact, we are proud of it. That doesn't mean those who have the right to decide who will govern our country should be other than those who have made a commitment to be Canadian, whether they be landed immigrants who haven't had sufficient time to become citizens or otherwise. I do urge the minister to make a change now so we are consistent throughout.

The other point I wanted to make Mr. Speaker, is that made by the member for St. George on the need for the minister to consider changing the principle of the two-year term. There is a problem in municipal government that is unique. The party system that makes it possible for us to have official opposition roles that are so important as part of this legislative system is not practical on local councils. The size of the council and the whole structure is one point that makes it impractical; and the fact that the municipalities are creatures of the provincial government or subject to it is another reason.

For that reason I have never supported the principle of having the party system prevail in local government. But I do think it is important that we consider ways of extending the term of office far beyond the two-year term to four years or five years.

If the government does that, as the member for St. George said it would be necessary for us to introduce some system of recall, some manner in which those who are elected are going to be accountable to those who elected them on issues that are disturbing—in fact on any issue. So often in the past we have come across examples where councils are elected and as a group just don't give a darn, and are completely unresponsive to citizens' wishes. Because they are not in a position to form an opposition or otherwise to be made accountable in a normal way, citizens get very upset. That is one of the reasons why in my discussions with local citizens and local groups, I have found them opposed to extending the term of office. When I have raised the possibility of a system of recall being included in municipal elections to overcome this, they feel that would have many advantages.

It is as important that we do long-term planning in local government as it is in this government. I would urge the minister to give consideration to this and, in his planning and discussions, to explore with people the possibility of extending the term and backing it up with a system of recall of some sort.

Mr. Speaker: The member for Essex-Kent.

Mr. R. F. Ruston (Essex-Kent): Mr. Speaker. I would like to make a few brief remarks on this bill. I didn't anticipate doing so but since there has been some discussion on a couple of items I'm interested in, I thought I would make a few brief remarks.

One thing I am concerned about—and I think the member for Windsor-Walkerville mentioned it—is polling places and the accessibility of polling places. I am thinking of this in all elections actually, when we have homes or places such as that to vote at and inconvenience for people getting in to vote. I wonder whether the time will ever come when we can have permanent voting places; it may have to come to that I think.

Nowadays in a municipal election we vote in certain areas at certain homes or certain halls and so forth which are available. Then when the provincial election comes along the polls are moved because the party in power decides it will vote in this area at some other places. If it's the federal election, maybe there is a different party in power so we vote at John Doe's down there instead of Joe Blow's, which we used in the provincial election. People are rather confused all the time, especially when we have a changing population.

As the members know, a number of people are moving much more now than in years ago and it seems to me to be an inconvenience. Something we are going to have to look at, probably, is permanent voting

places. I think our schools would be one of the places we are going to have to look at. There again, with the 12 days allowed teachers for whatever they think they might want to do in those 12 days, we could be classifying one of those days as a closing day when there's an election and we could use our schools for that purpose.

I think that is an idea we should be looking at very seriously now because if we are going to have the pupils out of school for 12 days of the year I don't see why we shouldn't make arrangements to have our polling places at the schools. They can have a holiday on that particular day. I think that is one thing we should be looking at very seriously. Our schools are always accessible. I think 95 per cent of them are at ground level where people can walk right inside without any steps to speak of at all. I don't know why this hasn't been thought about before but I have never really heard it mentioned since we have had these 12 development days.

Mr. Speaker: Order, please. There is really nothing to do with that in this bill.

Mr. Ruston: Polling has something to do with it; and voting. You didn't read the bill, Mr. Speaker. My goodness, I'm surprised at you. I understood, Mr Speaker, that you read all the bills and knew everything that was going on and in that way you could tell if people were in order or not. Now I have my doubts. I'm surprised; however, that's all right.

Mr. Speaker: I was priding myself on having read it.

Mr. Ruston: That was one thing. Another thing, of course, is the one mentioned here quite a bit and the member for Hamilton Mountain seemed to take exception to what one of our members said.

I think we should have uniformity in this. With the federal government having passed legislation making it mandatory that one must be a Canadian citizen by 1976, I believe a great deal that no matter when we vote—in a municipal election, provincial election or federal election—we should have uniformity. In the past in municipal elections, a farmer's son got the vote but the son of a man who lived in a town didn't get the vote in a rural area. The people were so confused. Then, when the provincial election came along, everybody had a vote. Now we have done away with that, thank goodness, and everyone over the age of 18 votes in municipal, provincial and federal elections. At least we solved that problem. But the problem I can see in what the member for Riverdale I think it was, mentioned that after one year's residence he can vote in the municipal election; there again it would be more confusing.

We have got to get this into a uniform routine where once you are eligible to vote, you are eligible to vote in all elections. I don't think there is really any difference whether you vote for a municipal politician or provincial or federal. You should have the right to vote for all three of them, not just for one at one time and then for the other one five years later. I think we have to make our voting uniform so that people understand it. We have a hard enough time now getting the people out to vote and making sure they are on the voters' lists and sometimes they get disenfranchised over a very minor thing, so I think that's very important.

I believe very strongly that one should be a Canadian citizen to have the right to vote. Maybe I have a little partiality in this since my family has married into it. When we all get together we say we have a united nations, and we are pretty proud of it. Some of them have been born in different parts of the world, and one has decided not to have Canadian citizenship. Having been born in the United States, she decided she would maintain her American citizenship so she doesn't vote here. But that's her decision.

If people are going to live in Canada, make their living in Canada and bear the fruits of the social advantages that Canada has over any other country in the world—they are much better; some people are coming here now looking at the social benefits that we have at the age of 65—I think they should be willing to take out their Canadian citizenship. If they are going to live here and make their living here and reap the benefits of our country, they ought to.

I feel very strongly, Mr. Speaker, that it should be in the Act that you must be a Canadian citizen.

Mr. Speaker: Any further speakers to this bill? If not, the hon. minister.

Hon. Mr. Irvine: There has been quite a bit of discussion in regard to one particular item, the matter of the British subject, but I think first of all I would like to explain to the members how this amendment to the Municipal Elections Act came about.

We have had very full discussions in recent months with the clerks' advisory committee of the Association of Municipal Clerks

and Treasurers of Ontario. We have had very long discussions with the provincial-municipal liaison committee. We have had resolutions from various municipalities. We have had discussions with Metro and with the city of Toronto. What we are trying to do really is to amend the Act to suit those who are working with the Act; and I think that we have, on the overall, achieved that aim.

What we would wish to do is to make any reasonable amendments, but I must say to the members that the liaison committee has said to us that it agrees with all the legislation we have proposed. They have seen a draft of this legislation and I have received their word on that. We want to have this approved as quickly as possible so that the clerks and treasurers and the assessment commissioners can go ahead with the necessary procedure which we have to have for this year's elections.

Mr. Cassidy: The government controls the timing in this House.

Hon. Mr. Irvine: Before we go into each member's concerns, what we are doing here is an amendment which has been agreed upon by a great many people, not just the government itself.

I would like to start off, with the member for Kitchener and I guess probably we could deal with quite a few people in this particular item of section 5(b), regarding the matter of British subjects.

This matter was discussed with the provincial-municipal liaison committee and other people at great length and there are various views on it. No one had a firm conclusion as to whether it should be left in or taken out.

I personally have some very strong connections with the British people. I certainly don't wish to see us sever any ties with them. I also have some very strong views in regard to Canadian citizenship. I think it's time that we stand on our two feet and say the qualification should be a Canadian citizen.

I am not aware whether or not the government will support me on this particular item, but in any event I am making the statement and will be making an amendment.

An hon. member: I think not.

Hon. Mr. Irvine: I will make an amendment to the Act as it is at the present time. I am disturbed that certain remarks were made this morning which were detrimental to this House. I agree with some of the views that have been expressed by members of the Opposition.

Mr. Cassidy: So much for the member for Hamilton Mountain. He is cut adrift by his own ministry.

Hon. Mr. Irvine: I cannot go along with the views expressed by the NDP that landed immigrants should be allowed to vote after one year. I must say to all members that I think one should be a Canadian citizen, one should be a resident in a municipality and one should be 18 years or over in order to vote.

Mr. Renwick: We agree with the residency and the 18 years.

Hon. Mr. Irvine: The member for Yorkview, the member for Ottawa Centre and maybe someone else too—I have made some notes here—brought up the question of whether or not they should be voting in more than one municipality. We agree there is only one way they can vote, as far as the new regions are concerned; that is in the area municipality they have one vote, but they have another vote if they own land outside the area municipality.

I think the same thing applies to those who have permanent residences and temporary residences in the way of cottage owners. We must allow the people in Ontario to have the right to vote in their permanent home and the right to vote outside.

Mr. Cassidy: What democratic principle that is based on is beyond me.

An hon. member: No taxation without representation.

Hon. Mr. Irvine: Therefore I strongly object to any amendment which would remove the right of the person to vote in more than one municipality.

Mr. Cassidy: Any anachronism to be found will be supported by the Conservative government.

Hon. Mr. Irvine: The member for St. George and also the member for York Centre brought up the matter of uniformity of elections. What we are trying to do in this particular instance is to bring on all elections at the same time. I think this is very necessary. We have in the past had elections going on at many different times throughout the province. What we are doing in this particular case is making sure that elections

will be at the same time starting in the fall of 1976.

We have to consider in the future the point that was brought up by both members as to the length of term. I think we have to have further discussions so as to decide how we might broaden the term as it now exists. There is some merit, in my opinion, in considering the possibility of having longer terms for regional municipalities or large cities.

I don't know where one cuts it off. I'd like to have more time to discuss with the elected people in the province any amendment we might want to make to this particular term of two years. I say to the members that we will do that in the coming months to try to find a satisfactory solution which will allow people to plan for a longer term. I recognize the validity of this, and I think all members would too.

There is also the fact that we must look at, that smaller municipalities may have to have only a two-year term.

I give my commitment to the members that we will endeavour to come up with a resolution to this problem of a longer term for municipalities.

Mr. Deacon: May I suggest what is needed is a longer term planning period.

Hon. Mr. Irvine: It's possible if they have the proper staff and proper people elected.

Mr. Deacon: That is putting too much weight and emphasis on the bureaucracy.

Hon. Mr. Irvine: We have turned back more powers to the elected people, as the hon. member is aware I am sure, than ever before; and we intend to turn back more.

Mr. Deacon: But to a regional level which is beyond reach of the people.

Hon. Mr. Irvine: But we also have to make sure the people who elect those people are protected also.

The member for Peel South brought up a very good point.

Mr. Cassidy: Is the minister the secret agent for the Liberal Party?

Hon. Mr. Irvine: We certainly don't want to have any discrimination, nor have we as a matter of fact, if I can find my notes here. I understand the Interpretation Act, under section 27, clause (j), provides that wherever the word "he" is used in legislation it includes the word "she" in its use. The opposite is also possible.

Interjections by hon. members.

Hon. Mr. Irvine: If it would make the members happier, certainly I would be only too pleased to see that we amend this particular legislation to make it very clear that it applies to both he and she; no problem.

Mr. Renwick: Whenever the "she" is used.

Mr. Cassidy: That is victory for the rights of women. It's the biggest advance for women that's been made in this Legislature for a decade.

Mr. Renwick: Next to cutting out the transportation home at midnight.

Hon. Mr. Irvine: The member for Windsor-Walkerville mentioned the possibility of a strike interfering with the publication of notices but in the legislation we do allow the clerk, regardless of whether or not there is a strike, to print and post the necessary notices of elections and the enumeration lists. I don't think this is really a matter that should concern us. It is covered in the legislation at the present time.

The fact of polling booths in hospitals was brought up. Unless I misunderstood the member, the Act provides for polling booths in hospitals and makes it permissible to have a polling booth in a nursing home. The point we are making sure of is that—

Mrs. Campbell: Not in Ottawa.

Hon. Mr. Irvine: I understand it does require a poll in a hospital. If I am wrong, I would like the member to correct me on that.

Mr. Good: Read section 28.

Hon. Mr. Irvine: Section 28 reads "where in a municipality there is situate a hospital or other institution," and I think if we carry on with the whole of section 1, the member will find out there is the necessity to have a polling booth there. It says "shall be provided in such an institution or upon the premises." That is pretty clear as far as I am concerned.

Mrs. Campbell: That section means such institutions, and it relates to a special kind—

Hon. Mr. Irvine: It goes on: "And may be provided in a nursing home or other institution of 20 beds or more in which the chronically ill or infirm shall reside." Therefore, I think we have hospitals included in our legislation. I would be willing to have my legal staff look into it to clarify it, if there is need of clarification.

The member for Waterloo North brought up the necessity for an oath and thought that a person should only affirm that they are qualified. I don't know how one would do this and I would be interested in hearing his views, when we go into committee of the whole House, as to how one would affirm without taking an oath. I think one would have to have the oath. I would be pleased to have his views on it, though.

Mrs. Campbell: It is a recommendation because he believes in religious freedom.

Hon. Mr. Irvine: The member for Essex-Kent, and I think one other member, mentioned the accessibility of polling places. This is a matter of local jurisdiction. To my knowledge they always make them as accessible as possible, on the ground floor. I don't think this is a problem which should be dealt with in legislation but should be dealt with at the local level. I think the local people should make sure that polling places are accessible.

Mr. B. Newman: How does a wheelchair patient get in?

Hon. Mr. Irvine: That is a matter which should be dealt with at the local level and certainly they should provide a polling place in an accessible spot.

Mr. Cassidy: No.

Hon. Mr. Irvine: And I think they do in most cases.

Mr. Cassidy: There should be the right to transfer the votes of wheelchair patients to other places and the government should have an amendment to that effect.

Hon. Mr. Irvine: Mr. Speaker, every member has his own views, but in any event what I am saying to you is that is my interpretation of what has transpired here this morning. I say again the people who are very much affected, the local elected people plus the locally appointed people, are the ones who have requested these amendments be put through as quickly as possible. We will make the necessary amendments that I have mentioned in the committee of the whole House.

Mr. Speaker: The motion is for second reading of Bill 65. Shall this motion carry?

Mr. Breithaupt: Mr. Speaker, on the assumption we are going into committee and the minister will be bringing amendments in the form suggested on this side of the House, we will not divide.

Motion agreed to; second reading of the bill.

Mr. Speaker: I understand the bill is to be ordered for committee of the whole House.

Mr. Cassidy: Mr. Speaker, do you not call for the "ayes" and "nays"? On a point of order, Mr. Speaker.

Mr. Speaker: What is the point of order?

Mr. Cassidy: We are supposed to have a voice vote on the bill, I believe.

Mr. Speaker: I asked if the motion shall carry and there were no "nays", so the vote is carried.

Mr. R. F. Nixon: That is the way we do it here.

Mr. Cassidy: Okay, that's fine. Another flip-flop by the Liberal Party. It opposes the bill until it backs down at the very last minute.

Mr. Ruston: The member didn't know what was going on.

Mr. Cassidy: Yes, I did.

Mr. Speaker: Order, please.

Mr. Cassidy: I didn't know the Liberals supported the government.

Mr. Renwick: I guess the member for Hamilton Mountain was right. There is some question raised here.

Hon. Mr. Irvine: I have to get the amendments made up now.

Mr. Cassidy: This may be his last day as minister.

Mr. Renwick: Just think a little bit.

Mr. Cassidy: Wait until the Premier finds out what he is doing.

Mr. Renwick: Let him just think before he does that.

Mr. Cassidy: He caved in under pressure from the opposition party.

Hon. Mr. Irvine: I find it difficult to listen to both people at once.

Mr. Deans: He did say he thought it wasn't a bad idea. He did say that, didn't he?

Clerk of the House: The second order, House in committee of the whole.

MUNICIPAL ELECTIONS ACT

House in committee on Bill 65, an Act to amend the Municipal Elections Act, 1972.

Mr. Chairman: Are there any questions, comments or amendments?

Mr. J. R. Breithaupt (Kitchener): Mr. Chairman, the first four sections appear to be reasonably direct because there are some minor amendments which are being tabled concerning some general provisions in the Act.

The first section about which we would have any comment to make, of course, would be section 5. The minister has, as I understood it, decided to bring in an amendment and I would look forward to having the amendment placed by the minister.

Mr. Chairman: Is there anything before section 5?

Mr. M. Cassidy (Ottawa Centre): Mr. Chairman, we also have an amendment to section 5. I gather the minister has one.

Hon. D. R. Irvine (Minister without Portfolio): Mr. Chairman, if you will allow me a minute to get the proper amendments, we will do so.

Mr. J. A. Renwick (Riverdale): This is going to be a pretty interesting amendment.

Mr. I. Deans (Wentworth): Are you really going to do this?

Mr. R. F. Nixon (Leader of the Opposition): Are you sure you heard right, or are you going to tell him what to think?

Mr. Deans: I am going to speak to the section—

Interjection by an hon. member.

Mr. Deans: He doesn't have to move his amendment. I can speak to the section before the amendment comes, if you don't mind. It is going to be interesting, how we are going to deal with this. If we delete "British subject"—

Mr. Renwick: I know how we are going to deal with it. I would like the chairman to have his usual impartiality in the chair.

Mr. Chairman: He will.

Mr. Deans: I want to know. I want to direct a thought to the minister. How could it be that a British subject would not be eligible to vote in municipal election but would, by law, be eligible to run for office? Because he would. I am speaking about running for municipal office. In order to do this—this is inconsistent with existing legislation. I'll wait until he comes back.

Mr. R. F. Nixon: Speak against the amendment.

Mr. Deans: I am going to.

Mr. Cassidy: Mr. Chairman, the minister is consulting his legal advisers but we are about to see a rather outlandish situation in which the minister has decided, with a stroke of his hand, to disenfranchise a certain group of landed immigrants in Canada who are eligible to vote provincially.

Mr. Chairman: Just a moment. I don't mind a general comment like the last one but let's wait for the minister's amendment before we get into the specifics of it.

Mr. Renwick: Well, Mr. Chairman, I would just like to—

Mr. Cassidy: I would like to make a motion then, Mr. Chairman, and move our amendment—

Mr. Chairman: No—

Mr. Deans: You can't stop him.

Mr. Renwick: You can't stop him from moving an amendment.

Mr. Chairman: There was an agreement to wait for the minister to bring his amendments back here.

Some hon. members: No.

Mr. Cassidy: We didn't agree to that, no. I would move that clause 5 be amended by deleting the words "or other British subjects" in subsection 12(b) and subsection 13(b) and by substituting the words "or a landed immigrant of at least one year's residence in Canada." I will send that over to you and—

Mr. Chairman: Since there was an agreement to wait for the minister to bring in his amendment, I would appreciate it if you would hold this.

Mr. Renwick: Mr. Chairman, there was no such agreement.

Mr. Chairman: There certainly was.

Mr. Cassidy: If I can speak—

Interjections by hon. members.

Mr. Deans: The minister cannot bring in his amendment.

Mr. Chairman: I am not going to put the amendment. Furthermore, there was an agreement, because I let the member for Wentworth make some general observations while we were, in his words, "killing time."

Mr. Cassidy: We were on clause 5, and it is quite open for the member for Wentworth to make general comments on clause 5. I am now presenting an amendment to clause 5 in the form which it is considered.

Interjections by hon. members.

Mr. Renwick: You've done it again, Don.

Mr. Cassidy: Is the minister ready with his amendment?

Hon. Mr. Irvine: I will be in a moment.

Mr. Cassidy: Mr. Chairman, the minister is not ready with his amendment. I suggest very seriously that you are bound by the rules of this House to accept the amendment we have just put forward.

Mr. Deans: We must proceed with the business of the House. We can't sit and do nothing.

Mr. Cassidy: That's right. And if the minister chooses to bring in an amendment subsequently, that can be considered. I am just writing it out. Possibly the member for Riverdale wants to make one or two comments about the amendment.

Mr. Chairman: The minister has precedence, and the minister is waiting to bring in his amendment.

Mr. Cassidy: The minister is a member of this Legislature, like every other member.

Mr. Renwick: On a point of order, Mr. Chairman. The minister does not have precedence in the committee of the whole House. Let's not remake the rules this morning.

Hon. J. White (Treasurer and Minister of Intergovernmental Affairs): I thought this was agreed to a few minutes ago.

An hon. member: It was.

Mr. Renwick: It's not a question of it being agreed to at all—

Interjections by hon. members.

Mr. Breithaupt: Mr. Chairman, if you will recall the earlier comments on second reading and the comment I made to Mr. Speaker that the matter would not be divided on since the minister had apparently accepted our amendment, that when the matter was then called for committee I rose and commented that we would be looking forward to having the minister's amendment because there seems very little value in continuing with the discussion of a section if it is about to be amended. If the minister chooses to place his amendment now, we can of course discuss the section or otherwise.

Mr. Renwick: Mr. Chairman, as usual, I would like, once again, to make our position clear. We are not—

Interjections by hon. members.

Mr. Chairman: Order.

Mr. Renwick: We in this party are not about to disenfranchise any group of people in the Province of Ontario.

An hon. member: You are right.

Mr. Renwick: If the Tory party and the Liberal Party have fallen into the trap that they are going to disenfranchise a group that already has the municipal vote in Ontario, fine—

Mr. R. F. Nixon: You keep saying that. You will have to say it a lot.

Mr. Renwick: I want to see the legerdemain going on under the gallery that can produce the result of limiting the municipal vote in the Province of Ontario to Canadian citizens, without disenfranchising British subjects who have had the vote in some instances for many years.

Mr. Deans: Fifty or 60 years perhaps.

Mr. Renwick: What we were talking about was something quite different; that was, to extend the franchise to include persons whose connection with the country is recognized as landed immigrant status. But let's not get ourselves into the box at this hour on a Friday afternoon, because of the ridiculous statements made by the member for Hamilton Mountain (Mr. J. R. Smith), of finding ourselves disenfranchising British subjects.

You can't disenfranchise the British subjects in my riding over anything but my "nay" vote. I am suggesting that I am glad to see that the whip is in here because he obviously feels equally strongly with me.

Mr. A. Carruthers (Durham): I am not the whip.

Mr. Renwick: The former whip or whatever he was.

I was just going to say, are you going to disenfranchise British subjects or not?

Mr. R. F. Nixon: Mr. Chairman, on section 5, I would just suggest that it would be quite possible for us to change this bill even over the hon. member's "nay" vote. That is precisely why we are here. We are here to provide amendments, both from the opposition and from the government, and to vote upon them after discussion. If the hon. member for Riverdale wants to vote against us, that would be quite all right with me—

Mr. Renwick: We tried to put an amendment and the chairman won't accept it.

Mr. R. F. Nixon: —because in this particular circumstance we have discussed at length this morning the proposition that the time has come for us to move towards the emphasis on Canadian citizenship as the citizenship requirement to take part in municipal elections. I would also hope that it would be extended through other areas of government as a matter of policy, as in fact it has already been extended in certain specific matters that have already been discussed by the House.

For anybody to suggest that we are taking action against any group is unwarranted—

Mr. Renwick: You are taking the vote away.

Mr. R. F. Nixon: —because surely, we in this House, have the responsibility to emphasize the—

Mr. Renwick: The member is taking the vote away.

Mr. R. F. Nixon: —duties and responsibilities that go with Cantdian citizenship.

Interjection by an hon. member.

Mr. R. F. Nixon: Now we were prepared to divide the House on second reading on that basis. The minister gave us his commitment, which we heard—and, Mr. Chairman, I'm sure you heard it as well—that he agreed with our position; that he had discussed the matter with those people at the municipal level and they really couldn't make up their mind; that some people felt it should be one way and some the other—

An hon. member: That's right.

Mr. R. F. Nixon: —that undoubtedly the Minister without Portfolio has responsibility in this area; that he has the power to express a view which he has already done. And I would presume his cabinet colleagues and his supporters in the Conservative Party would support an amendment of the type which was indicated which would be surely just to strike out the words "or other British subject."

Mr. Cassidy: Mr. Chairman, I hope that the minister has got his amendment now. If he does, then in fact I will yield to the minister in order to find out the wording that he wants to put forward.

We've made it clear what we want to do. He's indicated clearly in the House that he wants to strike out the right of British subjects to vote at the local level, but I would like to know what his amendment is and perhaps we can deal with that.

Hon. Mr. Irvine: Mr. Chairman, it's not our point, in speaking as I did before, to disenfranchise anyone. What we said was that we are going to—

Mr. Deans: That's what you're doing.

Hon. Mr. Irvine: —try to make it uniform as to who should vote in elections. Now there is, as I understand it from our advisers, no uniformity in the way of voting at the present time. I expressed a personal opinion that for municipal elections I felt—and I stand on that —that it should be a Canadian citizen; that it should be someone over 18 years old—

Mr. R. F. Nixon: And a resident.

Hon. Mr. Irvine: —and a resident of the municipality. Those were the qualifications that I mentioned before and I repeat them again. The hon. member has spoken very strongly about disenfranchising some of the British subjects in his municipality. It is not our intention to do so.

Mr. Deans: That's what you're doing. Are you going to move your amendment?

Hon. Mr. Irvine: But I say to you that when you say that we want landed immigrants to vote, then you are going—

Mr. Deans: Are you going to move your amendment?

Hon. Mr. Irvine: —much farther than we would, with a qualification of one year.

Mr. Renwick: I understand that, but what about the first part? Are you going to move the amendment?

Mr. Deans: Are you going to move the amendment?

Hon. Mr. Irvine: Mr. Chairman, I have an amendment here.

Mr. Deans: Let's hear it.

Hon. Mr. Irvine: I realize that this amendment will create some problems in other areas.

Mr. Deans: Are you going to move it?

Hon. Mr. Irvine: However, I still think that we should do it.

Mr. Deans: Why don't you do it?

Hon. Mr. Irvine: As far as I am concerned, I intend to move this amendment.

Mr. Deans: Well, we will wait breathlessly.

Hon. Mr. Irvine moves that section 12, clause (b) of the Act, as set out in section 5 of the bill, be amended by striking out "or other British subjects;" and further moves that clause (b) of section 13 of the Act, also as set out in section 5 of the bill, be amended by striking out "or other British subjects."

Mr. Deans: If I may, Mr. Chairman. Why don't you stand it down until Monday?

Mr. Breithaupt: Mr. Chairman, originally when the bill was called I had spoken with respect to this particular item. Some other members of the House, certainly in our party, have found favour with and have commented on these views with respect to this particular situation. We certainly support the amendment that this minister is bringing forward for involvement of persons who can vote in municipal elections.

As I said in my earlier remarks on second reading, we do not in any way want to disenfranchise those persons who can become Canadian citizens if they choose from voting in an Ontario municipal election. That is at least my understanding of the situation. I believe that persons who vote within Ontario at the municipal level should be Canadian citizens and I think that this is a positive step.

We are not attempting in any way to denigrate the heritage or history of the province. Nor are we attempting to deal unfairly with people. We are, rather, being positive and suggesting that in a situation such as this those who have committed themselves to Canadian citizenship should have the right and, indeed, the personal responsibility to vote for their elected representatives.

The matter of being a British subject is no longer the strongest outside immigrant route, and as a result, under the present legislation, or as it would have been proposed, we are really discriminating against many others who might have been here for a year or so. Because some come from one country within the Commonwealth they would have a right to vote, and someone else who comes from another country outside of the Commonwealth would not have a right to vote.

Mr. Renwick: We want it both ways.

Mr. Breithaupt: That distinction is not a fair one, because those who have come to our country and committed themselves to citizenship are surely the best group upon which we can uniformly decide what the responsibilities of elections are within the province.

The members in the New Democratic Party have made suggestions about rights that could be given to landed immigrants, and indeed there may well be merit in this and a further amendment may well come on this section with respect to the encouragement of landed immigrants to involve themselves in the electoral process, by giving landed immigrants the right to vote perhaps within a year or so of coming to Ontario. There is some merit there, because that could be an encouragement for people to get involved at the municipal level, with the anticipation that once they did become citizens they would of course have the right to vote at the provincial or federal levels. I think that that is worthy of some consideration.

However, at the present time we are dealing with the amendment which the minister has put forward. We believe it is a positive one and we will certainly support it and assist the minister in a division, if he requires it, in committee.

Mr. Speaker. The member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman, the truncating and the positive discrimination involved in this thing can perhaps be highlighted by indicating that if I had it my way, there would be more added rather than something subtracted, mainly that after the words "or other British subjects" I might be disposed to add on "or those of Celtic origin."

Mr. Breithaupt: I am a Celt.

Mr. Lawlor: I might even extend the principle to the Gallic coast of France, which has contributed so much to British government. Or if you pushed me, Mr. Chairman, I might go down to Basque country in northern Spain and all the influence of the Basques upon the Spanish Armada where they were wrecked off the coast and landed somewhere in Limerick, where they made up little rhymes for one another and hence the derivation. It might be very valuable in this particular context.

But being broadminded and full of magnanimity this morning, I say that the term "British subject"—and I can't refrain from saying that the one thing my forefathers were most anxious to do was to sacrifice, if that's the word, their British subjectivity. They managed to extricate themselves after a number of centuries and today they are in a magnificent quarrel among themselves. But leaving that aside, the term has come in world politics—

Mr. Renwick: Are you speaking about the Irish troubles?

Mr. Lawlor: —to assume a very wide dimension indeed. People from Pakistan, people coming from India, the numerous people arriving on our shores today from the Caribbean islands, and people from Northern Ireland, etc., have all fallen under this designation for a long time. They have made their homes here.

The last time this kind of question arose in the Legislature, about three or four years ago, I can remember an inundation of individuals phoning me, writing me, about being pilloried, about somehow being subjected to what they consider—and this is one of these emotional, ticklish issues, I am warning you. As a matter of fact the only reason I am standing here at the present moment is to use up time, Mr. Chairman, to gain a few moments for the minister so that—

Interjections by hon. members.

Mr. Lawlor: —his thought processes may get back into congruence of one kind or another, and he may have an opportunity to consult the powers that be over here before he plunges himself into this. You may think it's a minor matter—what's a few words?—but we will find in due course what it is.

Mr. Cassidy: Mr. Chairman, I would just like to move the sub-amendment. I have already sought to move it, but as per the agreement which you seem to have understood existed, we were to wait for the minister's amendment first, so I therefore reworded the sub-amendment.

Mr. Cassidy moves that section 5 be further amended by adding the words in subsection 12(b) and subsection 13(b) "or landed immigrants of at least one year's residence in Canada."

Mr. Lawlor: After the word "citizen."

Mr. Cassidy: I think it comes clear—after the word what?

Mr. Renwick: After the word "citizen."

Mr. Cassidy: After the word "citizen;" I'll just write that down.

As other members of my party have made clear, we are seeking to enlarge rights rather than to diminish them. I find it exceptionally curious that the member for Grenville-Dundas would be proposing to strip away from a certain group in Ontario society at the municipal level a right which they continue to enjoy at the provincial level.

Interjection by an hon. member.

Mr. Cassidy: And I would suggest the sub-amendment that we are putting forward, is consistent with the provincial election law which demands of British subjects who have the right to vote at the provincial level in Ontario that they have at least 12 months' residence in Ontario. Now, we have said there 12 months' residence in Canada; if the minister wished to make it 12 months' residence in Ontario, we wouldn't particularly object.

But it seems totally inconsistent that British subjects are to be disenfranchised by the weight of this minister and his government at the municipal level when they continue to enjoy the right to vote at the provincial level. In fact, when the question has come up in the past, the government has been staunch in its defence of the British connection. And for the member for Grenville-Dundas, with the origins of that particular county and that particular part of the province, to be the man who breaks that connection without putting anything in its place is, it seems to me, a particular affront to the traditional roots of the Conservative Party.

I am not trying to make a particular pitch for any particular vote. I am suggesting that on general principle anybody who makes the commitment to come to Canada, to stay in Ontario, to land here—we know that most of them remain here once they have landed and stayed for more than a few months—that they should have the right to vote at the level that affects them most—

Mr. Renwick: You cannot take the vote away.

Mr. Cassidy: —and that this is an excellent way of acclimatizing people to Canadian political life, of teaching people about their political rights which in certain cases they did not enjoy in their home country, of preparing them to exercise the full responsibilities of citizenship when, after the six or seven years that it takes on average, they become Canadian citizens and have the right to vote at the provincial and at the federal levels. It seems to be a very good introduction to Canadian political life and that is why we comment this sub-amendment to the minister, which enlarges rights rather than do what the minister and the Liberal opposition are doing, which is to take rights away.

Mr. Chairman: Mr. Cassidy moves an amendment to the amendment—

Mr. Deans: Well, we want to speak on it.

Mr. Cassidy: There's no vote yet.

Mr. Chairman: Can I read his amendment first? I just want to have it clear in my mind, all right?

> Mr. Cassidy moves the amendment to the amendment that section 5 be further amended by adding in subsection 12(b) and subsection 13(b) the words, "or landed immigrants of at least one year's residence in Canada," after the word "citizen."

I have it clear in my mind—because there have been some deletions on this paper—that that section would read "is a Canadian citizen, or landed immigrant of at least one year's residence in Canada." Is that right?

Mr. Deans: That's correct.

Mr. Chairman, I have got to confess I am a little amazed at the change that is being suggested in the committee. This instant policy worries me because there are very far reaching effects. I suspect, if I may say so, that it is the kind of change that really ought to have had prior approval by the cabinet. It is an alteration of the existing policy of government, a vital alteration that affects a goodly number of people across the province. No matter how the minister couches it, he is about to disenfranchise a large number of people in the Province of Ontario.

That kind of a change requires more than a five-minute consideration.

Mr. Breithaupt: We have been at it two hours now.

Mr. Deans: Well, that's fine, but five minutes in terms of the ministry. It requires considerably more than just to stand up and say, "I personally feel and therefore I am going to make the change." The minister and I know that he personally feels a lot of things, but that doesn't always sit with the cabinet.

I am really quite distressed by the prospect of what will occur as a result of this. There are people in this country who have contributed considerably to the growth of the country. They have contributed for a number of years and have had certain rights conferred upon them by law, and they exercise those rights. They have exercised them in electing the Conservative government here as they have exercised them in electing opposition members. They have exercised them in electing council members and even to this day they are entitled to exercise those rights in electing federal members.

A change of this kind is a very serious and severe break with the traditions of Canada and the traditions of Ontario. It is not something to be taken lightly. I think if we were going to consider changing the electoral requirements, we should have given more serious consideration to the suggestion of my colleague. It may well be that as we put it forward one year may not be enough, maybe there should be a time period in excess of a year.

If there is to be a change in the eligibility of individuals in Ontario to vote at municipal, federal or provincial elections, we have to consider whether we should do it by disenfranchising those who currently have a right or by extending it to others who are also contributing. These people are, as are all other people, entitled to own property. They are entitled to pay taxes. They are entitled to take part in every other sense in the Canadian way of life. If the minister is going to begin to change that, then surely he should begin by deciding what their entitlement ought to be, whether or not maybe it is reasonable that a person who isn't entitled to representation should be entitled to own property. I think that this is where the thing should begin.

I want to urge the minister, since it is 12:51 and we are not going to vote today, to stand the section down, take it back to his cabinet colleagues, and consider whether this is really the appropriate thing to do, notwithstanding what his own personal feelings might be.

Hon. Mr. Irvine: Mr. Chairman, before we have any further debate, I am fully aware of the seriousness of this particular section. I said it was a personal view and I am quite prepared to stand it down; but I do think that we have to have uniformity and I have been advised that we do not have that. There may have to be an amendment which is not before us at the present time. All I say to the members is that I feel it is time that we do come up with uniformity throughout Canada and that includes, in my opinion, the municipal elections.

However, I will be quite happy to stand the section down until the first of the week and listen and try to understand what the member for Ottawa Centre was saying in regard to landed immigrants.

Mr. V. M. Singer (Downsview): That's pretty hard.

Mr. Cassidy: The minister can't do that with the arguments that were given.

Hon. Mr. Irvine: I just don't follow the two arguments that were given to us from the NDP.

Mr. Deans: Did the minister understand what I said?

Hon. Mr. Irvine: I understood what you said, but I would like to give more consideration to what the member for Ottawa Centre said. I think that's fair enough that we do so. I would therefore suggest that we stand section 5 down at this particular time. It will give us all time to consider the ramifications.

Mr. Cassidy: You are the one who needs it especially. We know where we stand. The Liberals seem to know where they stand.

Interjections by hon. members.

Mr. Cassidy: We can't just have a personal opinion. You speak for the government when you put that amendment.

Hon. Mr. Irvine: I think, Mr. Chairman, it would be very much remiss if we didn't discuss this section in its entirety and fully, as all members should. We'll do that on Monday, I would suggest.

Mr. Singer: Mr. Chairman, just before this is dealt with in any way, even the standing down, I would commend to the minister's attention the discussions and the reports—I tried to find them but I couldn't quickly lay my hands on them—of the election law select committee, when these aspects were discussed. Certainly it isn't the intention of my colleagues or myself to disenfranchise anyone.

Mr. Deans: It sure is.

Mr. Cassidy: It sure was.

Mr. Singer: There were draft clauses in those reports, and I think the member for Yorkview (Mr. Young) would remember them, which dealt with this specific facet, that people who presently have the right to vote be continued in that up to a certain period of time and be given a reasonable time to become Canadian citizens. I think the federal Election Act has a similar kind of requirement. That could well be incorporated as part of the same thing.

I agree that it would be unfair arbitrarily to remove the right to vote from people who had the franchise for many years under what was then the law or under what is still the law. On the other hand, the business of Canadian citizenship—

Mr. Cassidy: They've flip-flopped just as much as you have.

Mr. Singer: I wish the member for Ottawa Centre could sit quietly just once and listen to somebody else's view other than his own.

Mr. J. F. Foulds (Port Arthur): We would if the Liberal opposition had any.

Mr. R. F. Ruston (Essex-Kent): What's wrong with you this morning?

Interjections by hon. members.

Mr. Singer: What I am trying to say, Mr. Chairman, if you could keep the yahoo quiet, is that this is a—

Interjections by hon. members.

Mr. Chairman: Order.

Mr. Singer: —question that has been under serious discussion by members of this Legislature for a long period of time, as to the kind of consideration that must be given to not unfairly disenfranchising people who have the right to vote under existing law. There are draft clauses in the select committee's report, so we are going back several years.

Mr. Lawlor: Be honest with yourself. Are you reversing yourself or not?

Mr. Singer: The federal people did the same thing and I think we should move forward. With those precautions, then the amendment, I think, can properly carry. I can't accept the blanket kind of amendment

that is put forward by the member for Riverdale. I think that's unreasonable and illogical, but I think the amendment put forward by—

Mr. Cassidy: It's not a blanket amendment, it's a very good one.

Mr. Singer: —the minister, after the suggestions that came from this side of the House and from the Liberal Party, are logical and reasonable, and that is what we want with appropriate safeguards. I think a little research within the department would turn up, for example, the kind of clauses that we will be glad to support to protect those people who might be otherwise unfairly dealt with.

Hon. Mr. White: Mr. Chairman, I quite agree with those members who have said that we should consider both of these amendments carefully over the weekend—

Mr. Cassidy: Yes, that's right.

Hon. Mr. White: —in part because there are only four socialists in the House. I think it would be too bad to embark upon this new course of action when the socialists are so obviously and grossly under-represented here.

Interjections by hon. members.

Mr. Lawlor: For hour after hour there were about three Conservatives in this House.

Mr. Cassidy: You weren't here when your minister made the mistake.

Mr. Foulds: Our 20 per cent attendance is equivalent to your 20 per cent attendance.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): And it's not quality either, I'll tell you that.

Hon. Mr. White: No.

Interjections by hon. members.

Mr. Chairman: Order.

Mr. Foulds: In fact, we have 25 per cent attendance.

Hon. Mr. White: If I may speak for a few minutes seriously and substantively, I understand the several points that have been put forward. I agree with my colleague that there should be a consistency in the requirements for electors at the several levels of government right across this country.

Mr. Ruston: Right, uniformity.

Hon. Mr. White: I quite understand the argument being advanced by the NDP that the franchise should be broadened and not narrowed, and I am going to come back to that in a moment. I understand likewise the Liberal position which is to say that the clause "or British subject" be now removed.

Mr. Cassidy: We could vote with the government. It is also the government's position.

Hon. Mr. White: I, myself, am a new Canadian. I wanted to vote when I became of age and I thereupon renounced my American citizenship and became a Canadian citizen. I think that was not inappropriate. I think if I wanted to be an elector for municipal councils and other levels of government that it was incumbent upon me to become a Canadian.

Mr. Justice McRuer, in his monumental work, urges that directors, governors and others in quasi-public institutions like universities, be Canadian citizens in that they are dispensing a very substantial amount of public moneys—

Mr. Lawlor: That's okay.

Hon. Mr. White: —which adds some strength to the argument and to the amendment being offered by my colleague, the Minister without Portfolio.

Mr. Lawlor: Not really.

Hon. Mr. White: At the same time, it is beguiling to think that a landed immigrant, having been here for a year, would have the apprenticeship training, so to speak, of entering into a municipal election.

Mr. Cassidy: Yes, that's right. It is a constructive suggestion.

Hon. Mr. White: So this is a matter that no doubt all members of the Legislature will want to think about for a few days. I do believe that if such an amendment were adopted by the committee the elector would thereupon be automatically qualified to be a candidate for municipal council.

Mr. Cassidy: That's correct.

Hon. Mr. White: This poses a conundrum, does it not? The member for Lakeshore nodded his head in agreement with Mr. McRuer, if I'm not mistaken.

Mr. Lawlor: Yes, that's right, on the McRuer thing.

Hon. Mr. White: If we are to require members of the board of governors of the Uni-

versity of Western Ontario to be Canadian citizens, as I do believe we are—

Mr. R. F. Nixon: That's right.

Hon. Mr. White: —is it not reasonable to require persons on municipal councils to be Canadian citizens in that they are spending enormous amounts of public money also?

Mr. Breithaupt: It is the happiest choice, we think.

Hon. Mr. White: So, here we are, torn between our desire to educate and involve the participation of newcomers and at the same time to protect the integrity of the body politic at its several levels here in Canada. For these reasons I think we should give careful consideration to the matter over the weekend and then come back, having informed ourselves, having had the opportunity no doubt of discussing it with our colleagues, and come back in with a thoughtful and decisive point of view to express by way of legislation at that time.

Mr. Cassidy: That's a very diplomatic retreat. I commend the minister for that statement.

Mr. R. G. Hodgson (Victoria-Haliburton): Mr. Chairman, can I suggest that when we think this over we seriously consider that whatever action we decide upon should take place some years hence.

Mr. Cassidy: Let's never rush into the future.

Mr. Lawlor: How about 50 years?

Mr. R. G. Hodgson: I think it is quite proper to advise the public that we are going to do this interpretation and that it will take place several years from now, otherwise I will find myself voting against my colleague which I really don't want to do. If the Treasurer is worried about only four over there to call a vote, I am with them, so there would be five.

Mr. Deans: We know that. That is why we sent the member for Riverdale home.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report progress and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, before I move the adjournment of the House I would like to advise the hon. members that on Monday we will proceed with Bill 25.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 1 o'clock, p.m.

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Legislature of Ontario Debates

No. 59



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

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Monday, May 27, 1974

Afternoon Session

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Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, MAY 27, 1974

The House met at 2 o'clock, p.m.

Prayers.

POINT OF PRIVILEGE

Hon. J. White (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, I rise on a matter of personal privilege. For the first time since being elected to the Legislature in 1959, I feel compelled to take this step because of a clear case of suppression of information which is unique in my experience. The essence of my complaint is summarized in the following telegram which I sent to Mr. Pierre Juneau, chairman of the Canadian Radio-Television Commission yesterday, Sunday:

DEAR SIR: I HEREBY REQUEST THE CRTC TO CARRY OUT AN IMMEDIATE PUBLIC INVESTIGATION OF THE CANCELLATION WITHOUT NOTICE OF THE PROGRAMME CALLED PROVINCIAL AFFAIRS SCHEDULED FOR SATURDAY NIGHT, MAY 25, WHICH WAS RECORDED BY ME THURSDAY AFTERNOON, MAY 23. SINCERELY, JOHN WHITE [etc.]

Mr. R. F. Nixon (Leader of the Opposition): What was the quality of the programme?

Mr. S. Lewis (Scarborough West): I did a Provincial Affairs programme during the federal campaign.

Mr. V. M. Singer (Downsview): Was the Treasurer using four-letter words?

Hon. Mr. White: Having cancelled my comments on public spending, the CBC enabled the Minister without Portfolio (Mr. Timbrell) to record a broadcast on the subject of youth on Saturday morning, and this was broadcast over part of the Ontario system that evening. This obvious control over programme content on a free-time political broadcast is intolerable in a democratic society.

So that hon. members will have available to them the information contained in the cancelled broadcast, I am tabling the script which is also being made available to each member of the Legislature and the press gallery. The principal point, it will be noted, is that federal expenditures, which are increasing this year by at least 22 per cent, are a most important cause of inflation. What is not mentioned is that the CBC budgetary—

Interjections by hon. members.

Mr. Lewis: Oh, well, this is a Provincial Affairs broadcast. The Treasurer should learn to be a little more scrupulous. He was wrong essentially but it was a public contribution.

Hon. Mr. White: —estimate is increased by 25.1 per cent over last year.

Mr. M. Shulman (High Park): Shame!

Mr. R. F. Nixon: Further to the point of order made by the Treasurer, I presume it's a point of order—

Mr. Speaker: It is not a point of order. I must point out that the hon. Treasurer had risen on what he termed a point of personal privilege.

Mr. R. F. Nixon: Oh well, if it is personal privilege, then I won't involve myself.

Hon. L. Bernier (Minister of Natural Resources): Mr. Speaker, I am sure that the hon. members are aware that the city of Winnipeg is in the midst of celebrating its centennial celebrations, and I know that they would want to join me in welcoming 41 students from three public schools in the city of Winnipeg, Cecil Rhodes School, General Wolfe School, and J. B. Mitchell Public School. They are sitting in the west gallery. They chose a visit to Toronto as their centennial project because it has so many cultural interests. I would point out to the hon. members that the funds for this very long and very expensive trip were raised solely by the members of the class themselves.

Mr. M. Cassidy (Ottawa Centre): They come from a good NDP province.

Mr. T. P. Reid (Rainy River): Mr. Speaker, it's my privilege this afternoon to introduce to the House some 23 students from St. Mary's School in Fort Frances in the great riding of Rainy River. I might say, Mr

Speaker, that they travelled farther to get here than you would travel if you went to Halifax on the east coast. I would like you to join me, sir, in extending a very warm welcome to them this afternoon.

POINT OF ORDER

Mr. Shulman: On a point of order, sir, now that the federal writ has been issued, can you tell me if it is proper or possible for an announced candidate in the federal election to sit in this House?

Mr. Reid: We don't blame him for leaving the ship.

An hon. member: Why, does the hon. member want to join him?

Mr. Speaker: To the best of my knowledge there is no reason why the hon. member cannot sit in this House at this time.

POINT OF PRIVILEGE

Mr. R. F. Nixon: Mr. Speaker, I would like to raise a point of personal privilege—well, perhaps I should say a point of privilege. I bring to your attention, sir, that on Friday last the Minister of Housing was asked a direct question on housing policy, which he refused to answer on the basis that a full statement would be made in the House today concerning the housing action programme and its implications and applications. He then apparently left the House, and in answering questions put to him by a Globe and Mail reporter, gave just the information that would have been of pertinent application to the discussion of the time.

An hon. member: Shame.

Mr. R. F. Nixon: I put to you, Mr. Speaker, surely it is the minister's responsibility to respond as best he can in this House to questions directed to him personally as the minister, rather than to refuse to answer and then to give the information outside the House to the press. I would like to put to you, sir, that surely this is a breach of our privileges here as members.

Some hon. members: Right.

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, may I respond to the hon. member's point of privilege? First of all, I want to say quite clearly that the only reason the Globe and Mail reporter was able to get me was because I was in the process of providing information to the hon. member which he had requested concerning the Nappan Island subdivision, and I happened to be in the lounge. I did not divulge any figures whatsoever to the Globe and Mail reporter; those figures had been obtained by the Globe and Mail reporter prior to his encounter with me.

Some hon. members: Oh, oh.

Mr. Lewis: That's even more shocking.

Mr. R. F. Nixon: Further to the point of order, I wonder if the minister then can account for his reported statement that he had co-operation from the other ministers, such as the Minister of the Environment (Mr. W. Newman), to lower the water quality in those areas subject to so-called housing action so that higher counts or lower qualities would be acceptable under those circumstances. Surely that's a specific piece of information that would concern us here.

Mr. Speaker: It seems to me that to permit this to continue in any way would simply constitute a debate. Perhaps the information sought by the hon. member might be better placed as an oral question during the question period. I don't really see that there is any point of privilege, nor was there a point of order, in connection with the hon. minister's refusal to answer a question. The statutory provisions of the standing orders do not indicate that the minister must answer. He may or may not answer.

Mr. R. F. Nixon: On the point of order, Mr. Speaker, surely it is my right and, in fact, my responsibility, to bring to your attention, sir, in case you missed it, the fact that the minister refused to answer questions in the House and then went out and answered questions to the press in the hall—

Mr. Lewis: That's not entirely true.

Mr. R. F. Nixon: —and I feel this is an abdication of his responsibility.

Mr. Lewis: What is at stake here is the methods of the Globe and Mail.

Mr. Speaker: Of course, I am not responsible for the action of the ministers of this House.

Statements by the ministry.

HOUSING PROGRAMMES

Hon. Mr. Handleman: Mr. Speaker, I am today tabling Housing Ontario/74, a comprehensive statement of the policies, programmes

and partnerships that my ministry has developed in response to the housing needs of the people of this province.

Mr. Cassidy: Especially if they earn more than $20,000 a year.

Hon. Mr. Handleman: In addition to statements of policy and descriptions of programmes, it analyses in considerable detail the nature of the present housing situation as perceived by the ministry. It is my hope that a clearer appreciation of the nature of the problem will lead to a greater understanding of the steps being taken to implement effective solutions. Our initial housing policy and programmes will obviously undergo changes in emphasis and direction as conditions change.

Mr. Speaker, we accept that adequate housing at affordable prices is a basic right of all residents of Ontario.

Mr. Lewis: Not all residents.

Hon. Mr. Handleman: We will not be satisfied until that goal has been achieved.

Mr. Lewis: Housing for the rich is the government's policy.

Hon. Mr. Handleman: It will not be achieved with one magic programme and it cannot be achieved by the government of Ontario alone. That basic fact should be understood.

Mr. Cassidy: But it has the key responsibility.

Hon. Mr. Handleman: Our housing goal can only be achieved with the co-operation and involvement of our major partners—regional and area municipalities; the federal government; the building industry; and the public at large.

Each of these partners has a vital role to play and the role of each is described in this statement. For example, we are asking our regional and municipal partners to:

1. Prepare and submit to the Ministry of Housing annual statements of housing policy which include specific objectives, production targets and financial arrangements;

2. Accept housing as a high-priority matter and especially to accept a reasonable share of the additional housing required to accommodate people of low and moderate incomes;

Mr. Lewis: Pretty earth-shattering so far.

Hon. Mr. Handleman: Three. Work with the province in cutting red tape by simplifying and speeding the plans approval process.

Mr. Shulman: We've heard that somewhere before.

Mr. Lewis: Quite a housing policy.

Hon. Mr. Handleman: Four. Participate with the province in defining realistic servicing, developmental and occupancy standards and in removing restrictive regulations;

5. Implement the uniform building code when passed by the Legislature.

Mr. I. Deans (Wentworth): When passed by the Legislature.

Hon. Mr. Handleman: Six. Mount strong new initiatives which will take full advantage of the programmes available to rehabilitate older housing and to renew deteriorating neighbourhoods;

7. Foster actively the development of non-profit community-sponsored housing.

8. Investigate and initiate, if feasible, land assembly programmes which will ensure an orderly flow of developed land in the years ahead.

To assist local governments in discharging these responsibilities and to ensure that they do not incur unwarranted financial burdens as a result of accelerated housing production, the government of Ontario has increased its financial aid to municipalities through a number of channels.

This year's budget, for example, increased per capita grants to regional governments by 12.5 per cent; total direct transfers to local governments were increased by 12 per cent and grant enrichments of $124 million will hold local property tax increases to an average of 3.2 per cent, instead of the 10 per cent that would otherwise have occurred.

My ministry has moved even more directly to provide housing-related financial assistance, including: At least $20 million in the facilitating fund of the housing action programme, which will be distributed as unconditional per-unit grants and as interest-free loans to cover capital costs of new infrastructure to those regions and municipalities that accept housing action areas.

Mr. Lewis: That is old.

Hon. Mr. Handleman: And $10 million in grants to municipalities participating in the Ontario home renewal programme.

Mr. Lewis: That is old, too.

Hon. Mr. Handleman: As well as $75 million in new low-interest funds for the Ontario Mortgage Corp.—

Mr. Lewis: That is in the estimates.

Hon. Mr. Handleman: —bringing our total mortgage portfolio to more than $300 million.

Four million dollars in support funds for community-sponsored housing.

Mr. Cassidy: That should solve the housing crisis overnight!

Hon. Mr. Handleman: As a further assistance, I am today announcing a $1 million policy development fund to assist local governments to prepare positive statements of housing policy and to strengthen and develop official plans and zoning bylaws in ways that will facilitate the housing production process.

Mr. Deans: We don't need any more statements. We need houses. Let's have a new minister. It is about time for a new minister.

Hon. Mr. Handleman: Mr. Speaker, these are new funds. Added to the many millions of dollars—

Mr. E. M. Havrot (Timiskaming): Why doesn't the member listen and learn something?

Hon. Mr. Handleman: —earmarked under existing programmes, such as the HOME programme—

Mr. Lewis: Learn what? This was all in the Comay report eight months ago.

Hon. Mr. Handleman: —rent supplement and others, they constitute a substantial new thrust toward achieving our objective.

For our part, Mr. Speaker, my ministry has already taken steps to speed the administrative and approval processes that will give force to municipal policies and programmes for housing.

The plans administration division, in the first four months of the existence of the Ministry of Housing, reduced by up to 30 days its average time for processing and approving subdivision plans, zoning by-laws, severances, official plans and other matters of that nature.

Mr. Singer: Who believes that?

Hon. Mr. Handleman: In the first quarter of this year, the division released more than 23,000 housing units for registration—

Mr. Singer: Nobody who has had to push the pieces of paper.

Hon. Mr. Handleman: —compared with about 11,750 units released in the first quarter of last year.

Mr. Deans: That just goes to prove they were inefficient last year.

Hon. Mr. Handleman: When added to the lots draft-approved last year, there are 80,000 housing units draft-approved in Ontario but not yet registered. In summary, subdivision applications are being made at a record level and the approval process is producing commitments to approve twice as many residential units as are being used for development and doing so without a reduction in planning standards.

Mr. Cassidy: The number of starts is declining because of the mortgage situation.

Hon. Mr. Handleman: Mr. Speaker, I have touched on only a few of the highlights contained in this statement.

While the document is comprehensive, it cannot deal with everything related to housing. For example, we are now engaged in a number of imaginative programmes involving tenants more fully in the management of major public housing communities and actively seeking their advice on a broad range of housing issues.

In conclusion, Mr. Speaker, you will see from the document that the Ontario government will have a direct involvement in some 31,000 of the anticipated 100,000 to 110,000 new housing starts for 1974. As significant as this is, the impact will be even greater next year when some of the newer programmes come fully into force.

I urge all members to study this document closely and to accept their share of the responsibility that we have to provide adequate housing for all residents of Ontario at prices they can afford. Thank you, Mr. Speaker.

Mr. Speaker: Oral questions.

The hon. Leader of the Opposition.

Mr. Lewis: That is a complete cop-out. There is no housing policy.

HOUSING PROGRAMMES

Mr. R. F. Nixon: Yes, Mr. Speaker, I would like to ask the Minister of Housing if, in fact, his statement with the programme appended to it—the programme that we have not yet had a chance to read, but which we read about over the weekend—will do anything to the housing starts in this province,

other than maintain the figure at something close to what it might have been if, in fact, the government had not meddled with the housing policies at all?

Is it not true that the expenditures referred to in this statement—and there is only $1 million referred to that hasn't been referred to previously in the government statements—will not even balance the confusion that has been introduced into the housing market and the servicing of land by new legislation that has been brought before the House and is still being debated here?

Hon. Mr. Handleman: Mr. Speaker, we thought it would be constructive and helpful to the members to gather together all of the programmes which have been announced over the past several months to show the members exactly what this province was doing—

Mr. Singer: Well, they could have got that on the CBC programme.

Hon. Mr. Handleman: If the hon. members have been doing their reading over the weekend and last week they would have found that the Province of Ontario is more deeply involved in the housing programme in its jurisdiction than any other jurisdiction in Canada and probably in North America.

Interjection by an hon. member.

Mr. R. F. Nixon: A supplementary: How can the minister square his statement on page 6 where he says, "and doing so without a reduction in planning standards . . ." with the quote in the Globe and Mail where the minister, with pleasure, says: "The Ministry of the Environment has been particularly helpful by allowing temporary sewage plant overloading, allowing a lowering of water quality." Surely the minister can't be proud of that method in allowing the approvals to go forward?

Hon. Mr. Handleman: Mr. Speaker, I don't believe I spoke about water quality. I did say that some of the standards had been relaxed temporarily to permit us to take care of what is a more urgent priority at this time without any lasting damage to the ecology. There is no way this government, having set those standards in the first place, is about to turn its back on the establishment and the maintenance of high standards of planning, environmental protection and all the other things that many members have been complaining about as slowing up the process.

Mr. R. F. Nixon: A supplementary: Would the minister say, since he is relaxing water quality standards, that the standards were too high in the first place? The Minister of Housing is moaning, but it is he who said that he is relaxing water quality standards.

Mr. Lewis: He is in pain—intellectual pain. He has been thinking.

Hon. Mr. Handleman: Mr. Speaker, I didn't say anything about relaxing water quality standards. I did say that certain temporary overloading of plants might be allowed by the Ministry of the Environment in order to expedite a higher priority at this time.

Mr. J. R. Breithaupt (Kitchener): What does the minister call that except lowering?

Hon. Mr. Handleman: There is no statement, whatsoever, Mr. Speaker, that we are about to lower standards. All we are saying is that there are certain priorities that have to take effect now—

Mr. P. G. Givens (York-Forest Hill): They shouldn't overload them.

Hon. Mr. Handleman: —and that the standards which have been established by the Ministry of the Environment are being looked at with the possibility—

Mr. Breithaupt: It is of negative benefit.

Hon. Mr. Handleman: —of assisting people to enjoy the basic right, which we say is theirs in this statement.

Mr. Lewis: Mr. Speaker, may I ask if the minister is aware that six weeks after the introduction of the speculative land tax Act in this province, for the first 25 days in May the average house sale price in Metropolitan Toronto, including the lower priced condominiums, was $58,437 per unit, representing a jump of 8 per cent in one month? And how does that square with the 60 per cent of the OHAP units, which the minister is going to make available at the average price, namely $58,437? And who is going to buy them?

Hon. Mr. Handleman: Mr. Speaker, first of all the land speculation tax is tied almost irretrievably into house prices by the hon. member. We have said that it has been one of the factors which have had an effect on housing markets.

Mr. Deans: That was the minister's idea.

Mr. Lewis: That was the minister's argument.

Mr. Deans: That is why the minister brought it in.

Hon. Mr. Handleman: However, the member's misunderstanding of the OHAP again surfaces by saying that 60 per cent of the units—and I almost lost him completely—would be sold at an average price. We have made it quite clear, Mr. Speaker, that we are embarking on agreements with the developers which would result in concessions to the consumers of housing in Ontario. As soon as those agreements are signed, we will be bringing it before the House in a major announcement.

Mr. Deans: When?

Mr. Speaker: The hon. member for Downsview is next.

Mr. Singer: In view of the fact the minister states on page 52 of his document, Housing Ontario/74: "In reality this document is an initial statement of policy of action and will be overtaken by new and expanded policies and programmes reflecting new needs," can the minister tell us when we are going to get a programme that will really produce housing at prices the people can afford to pay?

Mr. Breithaupt: It will be overtaken by the passage of time.

Hon. Mr. Handleman: Mr. Speaker, that is one of those questions the hon. member is prone to make.

Mr. Singer: No, the minister made it. I read his statement.

Hon. Mr. Handleman: In fact, the programmes which have been announced, which we are embarking on and which we are continuing, have done what the housing action programme or what the rest of these—

Mr. Singer: Oh, come on!

Hon. Mr. Handleman: —programmes is intended to do, which is to meet the needs and to satisfy that basic right of the people of Ontario. Of course, this government will always be embarking on new programmes as the need arises.

Mr. Breithaupt: Or announcing them.

Mr. J. E. Stokes (Thunder Bay): Nobody can afford the government's programmes.

Mr. Cassidy: A supplementary, Mr. Speaker: In view of the fact that according to the minister's own statistics four-fifths of the families in Ontario earn less than $15,000 a year, what proportion of the lots and other programmes being made available by the ministry are going to be directed to that group and what proportion of general housing starts will be directed to people earning less than $15,000?

Hon. Mr. Handleman: Mr. Speaker, we have explained time and time again that the Province of Ontario has an involvement in approximately 30 to 35 per cent of the anticipated starts and that our involvement is entirely dedicated to those who are in the low- and moderate-income groups.

I would quarrel with the hon. member's assumption that, because in the programmes which we have announced today in this statement there is a certain percentage devoted to the low-income group, the others will not benefit by the expedition of starts. There will be new housing coming on to the market which would not otherwise have come on without this province's involvement and everyone in the province will benefit, including the 80 per cent who are in the low- to moderate-income area.

Mr. R. F. Nixon: Supplementary?

Mr. Speaker: There have now been five supplementaries. I am sure the hon. members will agree that's reasonable. Does the hon. Leader of the Opposition have further questions?

Mr. R. F. Nixon: I was just going to ask about development in the Waterloo region, in the 3,000 acres right in Mr. Speaker's backyard.

Mr. Speaker: In that case, I think it would be in order.

Mr. R. F. Nixon: Thank you, Mr. Speaker. As a further supplementary, I would like to ask the Minister of Housing if in Housing Ontario/74 there is any plan to take the land in the landbank in the Waterloo region, amounting to 3,000 acres in the backyard of the Speaker himself, to service that land and make it available for utilization by the expanding community there, along with the 1,000 acres in Brantford and certain other large areas in the landbank across the province?

Hon. Mr. Handleman: Mr. Speaker, Housing Ontario/74 is a statement of the ministry's programmes and policies for 1974. As I have already told the hon. member, we do have long-range landbank facilities and investments in the province.

Mr. R. F. Nixon: We need it now.

Mr. Cassidy: But there is no new commitment in this statement.

Hon. Mr. Handleman: We are certainly intending to expedite them as quickly as possibly. However, major servicing is not done overnight. The hon. member knows that as well as anybody in this House.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. R. F. Nixon: The minister can't do it overnight but he has to start.

Interjections by hon. members.

ASSISTANCE FOR FLOOD VICTIMS

Mr. R. F. Nixon: Mr. Speaker, I have a question of the Chairman of the Management Board, in the absence of the policy secretary who made the announcement on the funding of flood relief. Can he inform the House what funds are going to be made available for flood relief by the Management Board—at least what is budgeted? Is he speaking for the government in this regard, still convinced that a dollar-for-dollar matching policy is going anywhere to meet the need of the flood ravaged area of the Grand Valley, where the damage is expected to exceed $10 million, and one estimate is as high as $15 million?

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, the request or the funding on it to be implemented has not yet been placed before Management Board. I, therefore, cannot answer the question in regard to dollars.

Mr. R. F. Nixon: A supplementary—and I know the minister will like this: Since there is some confusion as to the application of federal funds and the only statement that we have had from the ministry is a request that the federal government involve itself in this assistance, would the minister either make a statement himself sometime this week or have one of his colleagues make a statement, indicating just what the total available funding programme will be, since there is a great deal of confusion, certainly in the Grand Valley connected with this, and the confusion and criticism are directed against both senior levels of government for not treating the matter as seriously as it obviously is to those citizens who have suffered the damage?

Hon. Mr. Winkler: Mr. Speaker, I deny that we are not treating the matter seriously. When the options have been considered and when the policy is at hand, we will announce it.

UNION GAS

Mr. R. F. Nixon: I have a question of the Minister of Labour.

Mr. D. C. MacDonald (York South): Minister emeritus.

Mr. Breithaupt: Pro tem.

Mr. R. F. Nixon: Pro tem or ex.

By the way, can he tell us how the Union Gas negotiations are proceeding? I am informed that many of the gas heating facilities that were flooded just a week ago are still not started up because of the Union Gas strike and the situation there; and it is really contributing greatly to the hardship in the area.

Hon. F. Guindon (Minister of Labour): Of course the hon. member knows, Mr. Speaker, that talks have been going on for 11 straight days between the parties. I can inform the hon. member that another meeting has been set up for tomorrow, and I can go so far as to say that the climate around the bargaining table is good.

Mr. R. F. Nixon: The what?

Hon. Mr. Guindon: The climate.

Mr. Breithaupt: The climate.

Mr. R. F. Nixon: The climate; oh, well.

Mr. Lewis: It is the ambiance that is friendly; there's a nuance there. They are drinking together.

Mr. Speaker: The hon. member for Scarborough West.

HOUSING PROGRAMMES

Mr. Lewis: Mr. Speaker, a further question of the Minister of Housing: How does he take any pride at all in a statement which admits categorically, for the first time I must say, that the housing starts in Ontario in 1974 will be significantly fewer than the number of housing starts in Ontario in 1973? And this, as I understand it, means that all of the programmes this minister has concocted and manufactured cannot maintain pace with last year.

Mr. Cassidy: That's right.

Mr. Havrot: You asked that same question last week.

Hon. Mr. Handleman: Mr. Speaker, I don't think there's any admission anywhere that the number of housing starts will be significantly lower.

Mr. MacDonald: The facts speak for themselves.

Hon. Mr. Handleman: By the intervention of the government of Ontario, in fact, housing starts will be maintained at their previous record high level; and we have shown that this is in fact in excess of the need caused by immigration and new family formations; therefore there is no admission of any kind in the statement.

Mr. Lewis: By way of supplementary, does the minister not recall—I think it's on page 35, it's hard to read and absorb immediately—that he says there will be 100,000 to 110,000 housing starts in Ontario in 1974? If memory serves me last year there were 110,573; and if memory serves me further, knowing these pronouncements he will fall significantly short, by five to 10 per cent, of production last year.

Mr. Cassidy: That's right.

Mr. Lewis: Now how is it that all these programmes can't maintain the level of last year?

Mr. Havrot: We'll have you lick the problem.

Hon. Mr. Handleman: Mr. Speaker, I don't accept the 500. If we wanted to round it out I suppose we could say we're exactly in line with last year's record starts.

Mr. Lewis: It will be 100,000 or less next year.

Hon. Mr. Handleman: In fact last year's record starts were in excess of new family formations and immigration, and therefore in excess of the new population.

Mr. Lewis: Well so what? The government is way behind.

Mr. R. F. Nixon: A supplementary: Surely the minister would agree that with the funds he's been talking about and the concern in the Legislature and across the community, attempting to simply meet the record last year is inadequate? He's supposed to be aiming well above that in order to bring some relief to a situation which is a crisis.

Hon. Mr. Handleman: No, Mr. Speaker, we don't consider it to be inadequate. What we say is that there has to be a better mix of housing to meet the needs in a greater measure of those in the low and moderate income groups. If we meet last year's record and change the mix of housing we will in fact be meeting the needs of those who were left wanting last year.

Mr. Lewis: What does the minister mean by mix?

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for High Park was up first; a supplementary.

Mr. Shulman: Can the minister explain why for the first three weeks in May the number of real estate transactions signed in southern Ontario is down by 72 per cent from the equivalent period last May?

Hon. Mr. Handleman: Well perhaps, Mr. Speaker, we could again do a little bit of breast beating, which we've been castigated for by the hon. member for Scarborough West, and say we should be hanging our heads instead. What's happened in fact is there are far more listings than people can sell, and as a result prices are starting to drop.

Mr. Shulman: But nothing is selling.

Mr. J. A. Renwick (Riverdale): Nothing is selling, that's right.

Mr. Lewis: The prices went up $4,000 per house.

Hon. Mr. Handleman: Mr. Speaker, the buyers have slowed their buying; and thank goodness for that, because if that type of inflationary spiral had kept going prices would have zoomed out of sight.

Mr. Renwick: There are fewer houses available at higher prices.

Mr. Lewis: The minister is putting his head in the sand. They're going up $5,000 a month.

An hon. member: Who is advising the minister?

Mr. Speaker: The hon. member for Ottawa Centre.

Mr. Cassidy: A supplementary, Mr. Speaker: The minister has spoken about improving the mix of housing. Is he aware that half of the people in Ontario's major cities are tenants; and can he explain why his housing

policy has said nothing about improving the supply of housing to people on moderate incomes who are tenants, thereby easing the financial squeeze? Particularly when his own documents indicate that 73 per cent of people earning under $5,000 pay more than a quarter of income for shelter; and that 50 per cent of those earning up to $8,000 and 25 per cent of those earning up to $11,000, pay more than 25 per cent of their income for shelter; why is there not a single word in this whole document about that problem? And why have the family housing starts under OHC dropped to an all-time low of 2,000, the lowest in almost a decade?

Hon. Mr. Handleman: Well Mr. Speaker, many of those who are now tenants in Ontario, of course, will be benefiting by the expanded Ontario HOME programme. And of course if we increase the supply of housing, period, we will obviously have more housing for people to move into.

Our view is that if you expand the supply of housing over the measurable needs of the people of Ontario, that those who are tenants will benefit directly.

Mr. Cassidy: A supplementary: Does the minister have any programmes—

Mr. Speaker: Order.

Mr. Cassidy: —to benefit tenants who are now paying such a—

Mr. Speaker: Order. We alternate the supplementaries. The member for York Centre.

Mr. D. M. Deacon (York Centre): A supplementary: I cannot find anywhere in the minister's programme a measure to prevent an added tax burden being imposed wherever low and moderate income housing is approved by a municipality. Why does the minister not persuade regional municipal governments to adopt or to approve such a kind of housing by the practical method of creating a tax support to ensure they don't have to pay additional taxes?

Hon. Mr. Handleman: Mr. Speaker, I can hardly criticize the hon. member for not having had time to read this and digest it, but certainly in the statement there is an outline of the financial measures which we are taking to stabilize the taxes in those municipalities which do, in fact, accept housing action.

Mr. Cassidy: Supplementary?

Mr. Speaker: There have been five supplementaries, which I believe is reasonable. The hon. member for Scarborough West.

Mr. Lewis: Mr. Speaker, this mountain has produced such a mouse in this statement, I want to pursue it further.

Mr. Speaker: Order please. I just suggested that five supplementaries was sufficient.

Mr. Lewis: Well, I am asking a new question, Mr. Speaker, although it is related. It is on housing, I quite concede.

Mr. Speaker: I am sure the hon. member will find a way to make it a new question.

Mr. Renwick: It's not very difficult at this point in time.

Mr. Havrot: He is an expert on that.

HOUSING PROGRAMMES

Mr. Lewis: I want to ask the minister how it is that he can bring in a programme—which he describes as being for low-and middle-income families—which will eliminate from eligibility virtually 1.3 million families in Ontario, whose incomes lie below $15,000 a year—1,288,000 families to be exact—and whose proportion of the total housing market will not increase substantially since the total number will not increase at all?

Hon. Mr. Handleman: Mr. Speaker, I don't quite follow the hon. member's question.

There is certainly no suggestion anywhere in this statement that we are eliminating those under $15,000. In fact, the entire thrust of the programme is designed to benefit those people who are under $18,000, including those under $15,000 and down to as low as $8,000 and $9,000.

Our other programmes, of course, are designed to take care of those who are below the economic housing limit, but I certainly don't see that we have eliminated the people under $15,000.

Mr. Lewis: By way of supplementary, surely the minister recognizes that if his total housing stock remains around 100,000 units and he is altering the mix only marginally, then the 1.3 million families in Ontario who earn less than $15,000 a year—1973 figures—by and large will have no new market from which to buy; they will be as excluded in 1974 as they were in 1973.

Hon. Mr. Handleman: Mr. Speaker, I don't accept that this is a marginal change in the mix. When a government involves itself in 30 to 35 per cent of the total supply, I think it is much more than marginal. Obviously this is going to have an effect right through the income spectrum.

Mr. Cassidy: A supplementary, Mr. Speaker: Apart from 1,100 rent supplement units and 2,000 rent-geared-to-income family units, what other steps is the minister taking in order to help those people who are tenants, who cannot afford to buy, and the 60 per cent of families which earn less than $11,000 or $12,000 a year?

Hon. Mr. Handleman: Mr. Speaker, we are rapidly embarking on an expansion of our integrated community programme, our rent assistance programme. We are certainly not heedless of the needs of the people in the lower income groups.

Mr. Lewis: Yes they are.

Hon. Mr. Handleman: This government has always been most active in that area.

Mr. Lewis: The government has done nothing.

Hon. Mr. Handleman: We are now looking at an expanded supply and in our view the expansion of supply will benefit everyone.

Interjections by hon. members.

Mr. Cassidy: There is no use expanding the supply of houses without covering the areas of greatest need.

Mr. Speaker: Does the hon. member for Scarborough West have further questions?

Mr. Lewis: Yes. It should be called Mishap, not OHAP, and the minister knows that.

ALLEGED AIR POLLUTION FROM METAL COMPANIES

Mr. Lewis: Can I ask of the Minister of the Environment what is he going to do with the lead pollution in downtown Toronto now that there is yet another child admitted to the Sick Children's Hospital with a blood level well above the tolerable point?

Hon. W. Newman (Minister of the Environment): As the hon. member knows we are doing the monitoring down at Canada Metal right now—

Mr. Lewis: I am sorry, I cannot hear the minister.

Hon. W. Newman: We are doing considerable monitoring down there. We have the subcommittee of medical people working on it, and we also have the other committee that has been appointed under the Ministry of Health to study effects of lead on children. We anticipate the latter committee will report to us the third week in June.

Mr. Lewis: By way of supplementary, does it not worry the minister, bother him, concern him, that children should be admitted to the Sick Children's Hospital regularly, intermittently, while his tests continue, because he has set a tolerable level of lead emission which is clearly above the danger point? Would it not be possible for him to lower it now, arbitrarily, to remove eventual hazards while he is deciding on his programme?

Hon. W. Newman: Our emission level at this point in time, Mr. Speaker, is five milligrams per cubic millimetre of air, and we feel this standard is satisfactory. Our monitor reading in areas outside of the plant area is above this at the present time. We are aware of that. The equipment has been put in, and we have studied it very carefully. In the last month there has been a very minor decrease in the reading since the abatement equipment has gone in.

When those cases have been brought to our attention, we have also worked with the Ministry of Housing, through the Ontario Housing Corp., to try to offer alternative accommodation to those families.

Mr. R. F. Nixon: A supplementary question of the minister: Does the minister say that the lead in the ambient air, or whatever the phrase is, was higher than his ministry's standards at the present time?

Hon. Mr. Newman: I said that now that the abatement equipment is in place at Canada Metal, our readings over the past month have decreased slightly from what they were before; there has been just a very slight decrease, and it is going to take a little more monitoring before we can get a true reading. This committee is also studying this as well as the other reports.

Mr. R. F. Nixon: If he will permit another supplementary, just before the matter that the minister clarified, which I did understand, did he not say that the level was higher than the level set by regulation by the Ministry of the Environment?

Hon. W. Newman: The monitors outside of the plant area are, yes; the readings are slightly higher, depending on the wind, the dust factor and the other factors in the area. But, as far as we know, the actual emissions from the stack within the plant come within our criteria.

Mr. R. F. Nixon: A supplementary: Would it then not be permissible for the minister to do what his predecessor tried and failed to do, that is, shut down the operation until he can be assured that the levels are within the limits he set himself?

Hon. W. Newman: There is no way we can shut down the plant at this point in time until we have some more statistical information. We're waiting for this committee to report in the third week of June.

Mr. Speaker: Does the hon. member for Scarborough West have further questions?

HOSPITAL WAGE CEILINGS

Mr. Lewis: Does the Minister of Health have anything to report on the Woodstock General Hospital situation or related hospitals in southwestern Ontario?

Hon. F. S. Miller (Minister of Health): Mr. Speaker, perhaps the question would be better asked of the Minister of Labour because I understand there are some steps being taken through his ministry to assist in getting the workers back on the job in Woodstock.

Mr. Lewis: By way of supplementary, is the minister aware that when definition is sought from hospitals—I have two here, the Oshawa General Hospital and the Memorial Hospital in Bowmanville—as to where they stand on contracts with their workers, the answer invariably is that they're waiting to hear from the government about the explicit interpretation of what was done in Toronto? Has his ministry indicated to each individual hospital what it is it would wish?

Hon. Mr. Miller: Mr. Speaker, if there was a general solution that could be applied to all hospitals, I think the letter we sent to all hospitals would have implied this. Of course, this is not so, because the contracts of hospitals are at different levels and in different states.

We sent out a letter, immediately following the Toronto settlement, indicating to hospitals that they did have a right to look at all aspects of cost, including labour, and to discuss changes with us, and that we were willing to entertain changes in their budgets based on reasonable demands. This is in the process of happening right now. We're trying to leave these decisions, as they properly should be left, with the hospital boards involved, rather than with our ministry.

Mr. Speaker: Does the hon. member have further questions?

Mr. Lewis: Only if the Minister of Labour wishes to add anything.

Mr. Speaker: Before I call on the hon. member for Rainy River, the Minister of Colleges and Universities has the answers to questions asked previously.

NORTHERN ONTARIO MEDICAL STUDENTS

Hon. J. A. C. Auld (Minister of Colleges and Universities): Mr. Speaker, on May 17 the hon. member for York-Forest Hill asked me to explain the chronic dearth of educational facilities, particularly pertaining to medical facilities, and I indicated I would get the figures.

In 1966-1967 there were 293 first-year places in medicine in the various medical faculties around the province. In 1973-1974 there were 575 places, which is an increase of 95 per cent. By 1980 it is planned to have a further increase to 670 first-year places.

Tying in with that same question of medical facilities, the hon. member for Cochrane South (Mr. Ferrier), again on May 17, asked if the government would adopt a policy of establishing a medical school in northern Ontario. At the time I said this was a very costly undertaking and I would get the figures. It would appear that a bare minimum of 64 students is required to establish a medical faculty. The cost of this is approximately $85 million in terms of 1973-1974 dollars and the annual operating costs of a new medical school would be about one-third of that, which would be about $25 million to $30 million.

REPORT ON CONESTOGA COLLEGE

Hon. Mr. Auld: Again on May 17, the member for Nickel Belt (Mr. Laughren) asked me what has happened at Conestoga College after the inquiry about the internal operations. I am informed the board of governors has studied the Porter report and that now a member of the faculty, a student and a member of the support staff attend meetings

of the board of governors. Steps are being taken to develop a president's council, composed of students and staff, for keeping the board of governors in contact with the college community.

The board has held one meeting to receive presentations from interested groups in the college on Dr. Porter's proposals and probably implementation will await selection of a new president. The search committee, composed of students, staff and board members, has gone over a list of about 115 applications for the presidency and a select list of eight are to be interviewed; scheduling of interviews is now under way.

The board is satisfied it has heard all sides of the dismissal of two staff members and has rejected Dr. Porter's recommendation they be reinstated.

Mr. Speaker: The member for Rainy River is next.

MINIMUM WAGE RATES

Mr. Reid: Thank you, Mr. Speaker. I have a question of the Minister of Labour.

I don't blame him for leaving a leaking ship but I'd like to know what is going to happen to his proposals that he was to take to cabinet in regard to increasing the minimum wage, increasing Workmen's Compensation pensions and other matters relating to the labour scene?

Hon. Mr. Guindon: Mr. Speaker, this work has been done and there should be a statement made within days.

Mr. Reid: This week?

Mr. Singer: By whom?

Mr. Reid: By the minister?

Mr. Singer: By somebody? Yes.

Mr. Deans: A supplementary, for clarification: Is the minister saying there will be a statement on both of these matters within days?

Hon. Mr. Guindon: Yes.

Mr. Deans: On both the minimum wage and the Workmen's Compensation benefit review? Will there be a statement on both matters within days?

Hon. Mr. Guindon: No, I was referring to the minimum wage, Mr. Speaker.

Mr. Deans: Yes, I thought he was. A supplementary question: When will there be a statement with regard to the much-needed increase for Workmen's Compensation recipients? Why doesn't the minister do it now and use it as an election gimmick?

Hon. Mr. Guindon: Mr. Speaker, I don't operate the way my hon. friends do.

Mr. Deans: Oh, no?

An hon. member: No, he doesn't!

Mr. Deans: Why doesn't he just do it?

Mr. Cassidy: Hasn't he read the Treasurer's broadcast?

Hon. Mr. Guindon: No, I have done all the homework and it's a matter of government policy. Whenever this decision has been made by government, I am sure the minister will inform the House.

Mr. Speaker: The member for High Park.

DUFFERIN MALL LIQUOR STORE

Mr. Shulman: A question of the Minister of Consumer and Commercial Relations, Mr. Speaker.

Has his ministry yet solved the mystery of the several cases of empties which one of the inspectors discovered a week ago last Saturday—

Mr. G. Nixon (Dovercourt): Come on, get off that!

Mr. Shulman: —in the Dufferin Mall store? Can the minister explain how one of the employees, in his efforts, no doubt, to make sure the material being sold was of high quality, sampled so much in the same store that he became involved in a brawl with a customer and ejected him?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Which store was that? I want to get the right store. I wouldn't want to give the member the wrong information.

Mr. Shulman: Dufferin Mall.

Hon. Mr. Clement: Which one? Dufferin Mall? I thought the member was going to ask about another store. I feel more relieved!

Interjections by hon. members.

An hon. member: Where was he?

Hon. Mr. Clement: I wasn't aware of this until it was drawn so forcibly to my attention by my friend from High Park but I'll get into

it and report back to him, Mr. Speaker. I just don't know.

Mrs. M. Campbell (St. George): The minister has to get into it?

Mr. Speaker: The member for Downsview.

POLICE RAID ON HOTEL

Mr. Singer: Mr. Speaker, I have a question of the Solicitor General.

Could the Solicitor General advise whether or not he has investigated the raid carried out by a combined force of 55 to 60 Niagara Regional Police officers and Fort Erie detachment RCMP at a hotel called the Landmark Hotel, located at the Queen Elizabeth Way and Netherby Rd., wherein, apparently, an undetermined number of both male and female patrons were taken to the washrooms where they were ordered to strip off their clothes in order that a physical search of their persons could be carried out by the police; when they were found to be clean they were ordered out of the hotel?

Mr. R. F. Nixon: That's "clean" in quotes.

Mr. Singer: Yes.

Mr. Breithaupt: What were they looking for?

Mr. Singer: Could the minister tell us if he has investigated that as well as the basis on which the raid was done, whether or not he feels the police activity should be investigated and what, in fact, he is doing about it?

Interjections by hon. members.

Mr. Breithaupt: What can one do with a 40-ouncer?

Hon. G. A. Kerr (Solicitor General): Mr. Speaker, I am aware of the incident. I didn't think it was quite as notorious as indicated by the member but I have asked for a report.

Mr. Singer: Mr. Speaker, by way of supplementary, since the event happened on May 11 and since the minister's source of information apparently is a little better than mine—I was reading from the Times-Review of May 15, 1974—could the minister tell us, since it is now May 27, how long it will be before he is able to make a full report to the House about what appears to be a most ludicrous and improper kind of police activity?

Hon. Mr. Kerr: Mr. Speaker, the problem is to find out why the particular raid was carried out in the first place and why it involved so many different police forces. This is the reason. I'm trying to gather information from a number of sources.

Mr. Singer: How long will it take?

Hon. Mr. Kerr: I hope I will have that for the hon. member this week.

Mr. Speaker: The hon. member for Wentworth.

RESALE OF HOME PROGRAMME HOUSES

Mr. Deans: Thank you, Mr. Speaker. I have a question of the Minister of Housing. When will the minister be able to reveal the results of the OPP investigation into a number of complaints with regard to the resale of Ontario Housing homes originally sold under the HOME programme

Hon. Mr. Handleman: Mr. Speaker, that report obviously will be made to the Attorney General (Mr. Welch) who will then decide whether or not there would be any prosecutions. There will be no report made to me.

Mr. Deans: A supplementary question: Can the minister ask the Attorney General in cabinet, if he attends there more regularly than he attends here—

Mr. Lewis: Yes, ask him to come occasionally.

Mr. Deans: —what has been going on with regard to that investigation, since we can't ask him as he is never here?

Hon. Mr. Handleman: Mr. Speaker, I would be pleased to commit myself to asking him, but not to telling the House.

Mr. Breithaupt: If the minister sees him.

Mr. Speaker: The hon. member for Windsor-Walkerville.

MUNICIPAL AND SCHOOL TAX CREDIT ASSISTANCE

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, I have a question of the provincial Treasurer. Is the Treasurer aware of the resolution passed by the city of Brampton

recently and endorsed by Windsor city council, requesting that the ministry amend the municipal and School Tax Credit Assistance Act to increase the limits of such credit provided thereunder to the lesser of $300 or 50 per cent of the assessed tax? Does the ministry intend to act on this resolution?

Hon. Mr. White: Mr. Speaker, I haven't seen this resolution as yet, but certainly I will consider any recommendations from Brampton and even from Windsor.

Interjections by hon. members.

Mr. Singer: It is nearly as good as the Middlesex resolution.

Mr. Speaker: The hon. member for Sandwich-Riverside.

APPROVAL FOR BURN CENTRE AT WINDSOR METROPOLITAN HOSPITAL

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, I have a question of the Minister of Health. Does the minister recall that the Windsor firefighters are willing and ready to raise funds for a six-bed burn centre at Metropolitan Hospital in Windsor if approval from the ministry can be obtained? Has the minister a report on this matter?

Hon. Mr. Miller: Mr. Speaker, as a matter of fact, the burn unit in that hospital has been approved.

Mr. Speaker: The hon. member for York Centre.

FAIR LEASING POLICY FOR RETAIL GASOLINE STATIONS

Mr. Deacon: I have a question of the Minister of Consumer and Commercial Relations: In view of the fact that with the recent price increase in gasoline the actual margin available to retailers has gone down because the percentage return or gross profit has gone down with the increase in price and because the independent dealers have been prevented from increasing their percentage margin to where it was before because of pressure by the oil companies through the increased number of their own stations, will the minister introduce now a fair leasing policy or programme whereby lessors of gasoline stations can be assured a fair basis of tenancy with their oil companies?

Hon. Mr. Clement: Mr. Speaker, the Ontario Petroleum Association, which is an association made up of major oil companies, and the Ontario Retail Gasoline Association together met with a member or two of my ministry present over a number of months from about last September or October until, I think, January or February of this year and those two associations between them developed a set of guidelines acceptable to both.

I will review those guidelines; I stress that I played no role in their development, other than to meet with the parties independently and provide them with some resource people from my ministry. I haven't read them since January or February when the guidelines were reached. If it will serve any purpose, I will gladly re-read those series of guidelines developed by the two associations in an effort to answer the question directed to me here today.

Mr. Deacon: Will the minister introduce legislation to enforce such guidelines so that they are of some meaning?

Hon. Mr. Clement: I have no response to that at the present time; I would have to see the situation.

Mr. Deacon: I think it's time the minister did.

Mr. Speaker: The hon. member for High Park.

SCARBOROUGH HOSPITAL EXPANSION

Mr. Shulman: A question of the Minister of Health, Mr. Speaker: Is it correct that he is going to allow Scarborough General Hospital to undertake a building programme at the same time that he is insisting that Mount Sinai and St. Michael's and other hospitals keep wings shut?

Hon. Mr. Miller: I don't think that's particularly true, Mr. Speaker. Just because I was speaking to one of the members for the Scarborough area it doesn't mean that I've automatically approved a hospital wing for that area. I admit that's what she was asking me.

Mr. R. F. Nixon: Look at the smile on the member's face.

Mr. Shulman: Is it true? They think it is true.

Hon. Mr. Miller: Hope springs eternal.

Mr. Shulman: A supplementary: Is the minister saying his ministry has not given approval to the hospital to go ahead?

Hon. Mr. Miller: Mr. Speaker, it is being a little confused. I'll get my data later, thank you.

Mr. Speaker: The hon. member for Kitchener is next.

LAND SPECULATION TAX ACT

Mr. Breithaupt: Mr. Speaker, a question of the Minister of Housing: In light of the reported statement by Robert Henry of the Ministry of Revenue as set out in yesterday's issue of the Toronto Sun, that confusion caused by the land speculation tax has "slowed real estate transactions down to a crawl," would the minister care to modify his statement, made to us on Friday, that there is no confusion surrounding the tax?

Hon. Mr. Handleman: I don't care to modify it at all, Mr. Speaker. I just don't happen to agree with the man who made that statement.

Mr. Reid: Talk to a real estate agent.

Mr. Singer: The 1,500 lawyers who went to the meeting of the Canadian Bar Association thought so.

Mr. Speaker: The hon. member for High Park.

HEALTH DISCIPLINES ACT

Mr. Shulman: A question of the Minister of Health: Why has the minister refused the representations of the dietitians to be included under the Health Disciplines Act?

Hon. Mr. Miller: Mr. Speaker, obviously this gentleman is not keeping up to date. I've not refused the dietitians. I'm very willing to consider their request that they be included.

Mr. Shulman: Are they to be included in the Health Disciplines Act?

Hon. Mr. Miller: There is no positive decision either way, because we haven't as yet decided on all the disciplines. But I clearly told the dietitians that because I rate nutrition as one of the most important of the preventive measures within the health field. I'm very willing to consider the dietitians as a group being included within the Health Disciplines Act, providing in fact they can determine which members of their profession should be in the group that we recognize. In other words, some of these organizations, like the psychologists, the dietitians and so on, are in a number of various parts of the industrial, private and public sector. Not all of them wish to be members of a health discipline, and this gives their own organization certain difficulties in determining which one should be and which one shouldn't be. So I've thrown the challenge back to them in a sense, to tell me how they would be organized if they came into the health disciplines.

Mr. Speaker: The hon. member for Rainy River.

COST DIFFERENTIAL BETWEEN SOUTHERN AND NORTHERN ONTARIO

Mr. Reid: Thank you, Mr. Speaker. I have a question of the Minister of Natural Resources. Will the minister table in the House a report that apparently is on his desk, and has been for some time, in regard to prices in northern Ontario, gathered by the northern affairs people?

Hon. Mr. Bernier: Mr. Speaker, I see no reason to table this particular information, but if the member wants it, I'll be glad to send it to him. It's information that the northern affairs branch gathered all across northern Ontario. If the member would like a copy I'd be glad to give it to him.

Mr. Reid: I appreciate that. A supplementary, if I may: Can the minister indicate if it showed that prices in northern Ontario were, in fact, around 10 to 15 per cent higher than they are in southern Ontario?

Hon. Mr. Bernier: Mr. Speaker, I wouldn't want to say it varied that much, I have not had an opportunity to go into it in extreme detail, but I will be doing that in the next few weeks.

Mr. Stokes: A supplementary: As a result of the information contained in that survey, does the minister think it reasonable to approach the federal government to bring some rationale to the freight rates in northern Ontario, so that we can enjoy a decent standard of living?

Hon. Mr. Bernier: Mr. Speaker, that approach has already been made to the federal government and, regretfully, the Minister of Transport, Mr. Marchand, because he is involved in a certain event that is going to take place on July 8, could not see me.

Mr. Speaker: The hon. member for Ottawa Centre.

HOUSING PROGRAMMES

Mr. Cassidy: A question of the Minister of Housing: Can the minister explain why no details were given to the House today of the housing action programme, when he expects to give information about his agreements with the municipalities, and what proportion of the 12,000 lots will be made available to families earning, say, under $15,000 a year?

Hon. Mr. Handleman: Mr. Speaker, of course I will release details of any agreements that are arrived at as soon as they are signed.

Mr. Lewis: Not an agreement arrived at yet? Not a one?

Hon. Mr. Handleman: There have been no agreements as of this date, except with some private people, and they cannot be released until the municipalities agree to them.

Mr. Cassidy: Wow. The minister has really been working, eh?

Mr. Lewis: By way of supplementary—

Mr. Speaker: The member for Perth is next. Is it a supplementary?

Mr. H. Edighoffer (Perth): No.

Mr. Lewis: By way of supplementary: This shabby digest of the Comay report aside, what about the interest rate factor which the minister was going to report on in the House and which relates directly to the Ontario housing action programme and whether or not any houses will flow from it at all?

Hon. Mr. Handleman: Mr. Speaker, I don't recall undertaking to report to the House. I did say we were reviewing the mortgage market as it exists at present and as it has been affected by recent moves of the Bank of Canada, and that we were assessing its impact on the housing market as a whole—

Mr. Singer: Come on.

Hon. Mr. Handleman: —and the housing action programme.

Hon. Mr. Kerr: Borrow money at nine per cent and give mortgages at six.

Mr. Renwick: The funds aren't available and the minister knows it.

Mr. Cassidy: Can the minister reply to the other part of my question, Mr. Speaker, which is what proportion of the OHAP lots will be made available to people earning under $15,000 a year? For that matter, what proportion of houses built to sell will be made available in the coming year to people earning under $15,000?

Mr. Lewis: Earning under $15,000. There is a straight, very specific question.

Hon. Mr. Handleman: Mr. Speaker, I can't answer the second part of that question obviously.

Mr. Lewis: Why not? It is the minister's building programme.

Hon. Mr. Handleman: I have no control over the prices at which houses are offered.

Mr. Lewis: No? They are $58,000 on the average.

Hon. Mr. Handleman: Under the housing action programme 10 per cent is our formula. That may not be the final agreement we reach with all developers.

Mr. Lewis: Ten per cent? One thousand two hundred homes?

Hon. Mr. Handleman: But 10 per cent of houses will be sold under the HOME propramme.

Mr. Lewis: Ten per cent for 70 per cent of the population.

Hon. Mr. Handleman: Thirty per cent will be sold to moderate income groups.

Mr. Cassidy: Moderate?

Hon. Mr. Handleman: And the remainder will have price rollbacks incorporated in the agreement.

Mr. Cassidy: Moderate is $15,000 to $18,000 a year?

Mr. Lewis: What does moderate mean, $15,000 to $18,000? Moderate is $15,000 to $18,000. Does the minister know that—

Mr. Speaker: The member for Perth.

Mr. Edighoffer: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations.

Mr. Lewis: —that is 80 per cent of the families—he should take that programme and burn it for all it's worth.

Mr. Speaker: The member for Perth.

ONTARIO RACING COMMISSION

Mr. Edighoffer: A question of the Minister of Consumer and Commercial relations regarding the Ontario Racing Commission.

Why is the commission still allowed to continue to hold its meetings behind closed doors? I thought this would have been changed with the new chairman of the commission. Also is the minister responsible for the appointment of Mr. James Coleman as a commissioner because he was a former employee of the Ontario Jockey Club? When did this appointment take place?

Hon. Mr. Clement: Mr. Speaker, the Ontario Racing Commission traditionally held its hearings in camera, as the member is well aware. This policy was reviewed by the entire commission last August or September, I believe, and resulted in the decision to hold all hearings in public, save and except certain of those which it felt, in the interests of racing and the public generally, could not be held in public.

I am not familiar with any particular hearing to which the member refers and perhaps he might assist me in that particular matter. I do know the commission has held hearings publicly over the past few weeks and has been very pleased with the public and media acceptance of that type of process.

Mr. Coleman was appointed to the Ontario Racing Commission, if I recollect, later on last year; I would say in about July or August, 1973, he was appointed to the Ontario Racing Commission.

Mr. Speaker: The time for oral questions has now expired.

Petitions.

Presenting reports.

Motions.

Introduction of bills.

Orders of the day.

ANSWER TO WRITTEN QUESTION

Hon. Mr. Winkler: Mr. Speaker, I am tabling the answer to question No. 2 standing on the order paper. (Sessional paper No. 44.)

Mr. R. F. Nixon: Is that the answer?

Hon. Mr. Winkler: That is the answer.

Clerk of the House: The second order, House in committee of the whole House.

LAND SPECULATION TAX ACT
(continued)

House in committee on Bill 25, An Act to impose Tax on Land in respect of Certain Speculative Transactions affecting the Control or Ownership of Land.

On section 5:

Mr. Chairman: May I remind the committee we are on section 5 and when we left off the other day, Mr. Singer had the following motion before the committee:

> Mr. Singer moves that the word "whether" in the third last line and the words before "or" in the second last line of section 5(1) be deleted.

That is the motion now before the committee.

The member for Kitchener.

Mr. J. R. Breithaupt (Kitchener): There is one matter which could be raised with respect to the amendment and that is with respect to its wording. It would appear to me that if those words are removed, there is a minor change that should take place and that the word "whether," in fact, should be changed to "where." If the word "whether" is changed to "where," and if the words "before or" are deleted, I think that is the sense of the member for Downsview's amendment.

Mr. Chairman: Are the members ready for the question?

Mr. M. Shulman (High Park): No.

Mr. Chairman: The member for High Park.

Mr. Shulman: Mr. Chairman, you will recall that we were fumbling through this section on Thursday, and the minister made certain comments to explain the way it was going to work—and we have had a chance to digest those comments. I want to come back and ask him to re-comment on his comments, because his comments seemed a little un-commentable.

Specifically, he said that when a transaction is about to take place, he would feed the transaction into the computer and the computer would immediately spew back at him several similar transactions in similar areas so he would know whether the evaluation he is getting is correct. In a matter of seconds the computer could tell him whether the correct tax is being paid. Now, when are we going to have this magic computer, Mr. Minister?

Hon. A. K. Meen (Minister of Revenue): Mr. Chairman, the computer is expected to

be in full operation by about the end of this year, with respect to residential properties, and roughly by this time next year with respect to all properties in Ontario.

Mr. Shulman: Well, I must take a specific example; because this bill falls down in specific examples. Let us suppose a year from today real estate has recovered from the shock that you have administered to it and we are back at our regular rate of transactions, which is 50,000 a week in this province; or 10,000 per working day. Let's suppose I am selling a piece of land on Mississauga Rd., just north of Highway 401. And let's suppose I am going to sell it for some ridiculously high figure—let's say $500,000—and I am trying to figure out what it was worth April 9, 1974.

I call in my cousin Stephen and he tells me it was worth a good half a million, so I really don't have to pay any speculative land tax. I send the transaction into your computer and your computer spews it through. Unfortunately, because the computer has no past history to work upon, it will have no idea what the transactions were in the area of April 9, 1974; or what that land was really worth then. In effect, the computer, at least at the beginning, is not going to be of any value to you. Is it not correct that you are going to have to do an individual inquiry, or send someone out to that property? Is that not so?

Hon. Mr. Meen: It is possible in some instances we would have to have personal attendances, regardless, because there may have been improvements made which the vendor would want to include in his base price. But I don't think it is an exaggeration to say that we have every confidence that the computer will be able to give us comparative figures on an acreage basis of similar sales on or about April 9. If we are seeking to establish the April 9, 1974 evaluation, or comparable sales on an acreage basis if we are attempting to develop a fair market value as of whatever other date we are looking at, recognizing of course that if the property was acquired by the individual at a later date, that would be pretty cogent evidence of the acquisition value.

Mr. Shulman: I presume it is a new computer you are buying—is it? How in the world is a computer going to know what went on in previous years? It can only know transactions from the time you set the computer up. Isn't that true?

Hon. Mr. Meen: A computer has available to it the information on all sales of real estate, so that we would have that information available in the computer for retrieval purposes.

Mr. Shulman: It's only a memory bank. It can only know what you feed into it. Aren't you going to begin when you get it; feeding in all transactions as they occur? You are not going to attempt to go back into history, are you?

Hon. Mr. Meen: Yes, the information will be fed into it and will be available as of April 9, as I understand it, for all properties; and when a question comes up, we will be able to ascertain that on a fairly swift retrievable basis.

Mr. Shulman: Where is this information going to come from? Just a moment—I think you misunderstand what your own ministry is doing, as I am told by officials in your ministry; and correct me if they are wrong. What the computer is going to do—once you set it up—is that every transaction that takes place in this province is going to be fed into it for future information. But they have no thought, or so they tell me, of feeding in past transactions. Now, are they wrong? Have I been misinformed by someone in your ministry? If so, correct me.

Hon. Mr. Meen: Mr. Chairman, so far as I am aware, we will be able to ascertain the fair market value of the property concerned, either on its basis on April 9—and it would be a highly unlikely case that it would have been traded on April 9—so that the chances are we would be looking at other properties of a like nature having been traded at or about that time from information that we would have available.

Mr. Shulman: I am trying—before I get to the point of this whole thing—I want to know from the minister as of what date are transactions in this province to be fed into that machine?

Hon. Mr. Meen: I wonder how many times I have to answer this. I will answer it another way. The ministry has been gathering market value assessment on all properties in this province for some years.

Mr. Shulman: You are going by assessment?

Hon. Mr. Meen: We are updating it and it would be the value that would be applied.

Mr. Shulman: Are we back to assessment? I thought we had abandoned that on Thurs-

day. You are going to use the assessment value? That's the word you used.

Hon. Mr. Meen: Assessment of market value.

Mr. Shulman: Assessment of market value. All right, I don't think the minister and his officials are in agreement yet. They are looking anxiously at you. I wish you would inquire of them. But let's suppose, even if it's not correct, that as of April 9, 1974, every transaction in this province is fed into the computer. I don't think you are going back, because nobody suggests you are going back before April 9, 1974.

Hon. Mr. Meen: No point.

Mr. Shulman: Okay, now let's take a specific area. I confess I have invested in the stock market in the past and I am the owner of 75 shares of a company called Masg Entertainment, and they own a property on Mississauga Rd. I will take this specific example, because for the life of me nobody can figure out how it's going to work. Let us suppose Jan. 1, 1975, this company decides to sell this piece of land—and let me tell you what the piece of land is. It's 68 acres; 60 acres of which are on the Credit River, and eight acres are up on high land. There is a house sitting on the property. There's a separate garage and there are some separate out-buildings.

Suppose we are going to sell this on Jan. 1, 1975. Now, I can assure the minister that between April 9, 1974, and Jan. 1, 1975, there are going to be no other properties selling like that in the area. For that matter, if we take that whole immediate area—let's take the whole Huttonville area. The rate of turnover in that area is never high. Let's suppose between now and the first of January, 1975, there are what—two, three, four sales; all of which are unique properties.

What I am trying to get at—if the minister may retain his patience—is that there is no way that your computer can compare. There is not going to be comparative sales.

Five years from now this problem may work out, if either of us are around this funny world. But as at a year from now, you are not going to have comparative sales to compare with. So, as of Jan. 1, 1975, some 10,000 transactions a day are going to pour into your office. Your computer is just not going to have any way, with the vast majority of them, of telling whether or not the figures that you're being given are fair figures.

What I'm trying to say to you, and I don't think I'm getting through, is that each of these cases is going to have to be considered on its own merit, and you aren't going to have the staff without having a one-year backlog. If you've got 10,000 cases a day to consider and you've got a staff of—what, 100?—that means that each one of your people is going to get 100 cases a day landing in his lap. I shudder to think, within a period of a month or two, of how big that backlog's going to be.

Mr. V. M. Singer (Downsview): Even if the information were helpful—

Mr. Shulman: Even if the information is absolutely correct you have no way of knowing if it's correct. Your computer will be of absolutely no use to you, in the vast majority of cases, until the computer has had a history of a year or two or three or four or five. The year 1975 is going to go down in the history of this government as the year of the boondoggle because there's going to be no way you can handle it. You're going to have two choices. You're either going to have to do what my Liberal friend suggested on Thursday—rubber stamp it and hope for the best and send it back—or you're going to actually have to look at it, in which case the time lag is going to be horrendous.

Mr. Singer: You're going to need evaluators.

Mr. Shulman: If you've got 10,000 coming in per day, and that's the number you're going to get—10,000 a day, no less, maybe more—this is, of course, unless the complete stop in real estate sales continues forever; if we keep debating this until January, 1975, your nightmare may be postponed.

Hon. Mr. Meen: I thought by the hon. member's own figures last week, he had figured out around 50,000 a year. Where does the hon. member get 1,000 a day or 10,000 a day

Mr. Shulman: Fifty thousand a year was accepting your figure of 95 per cent not requiring any questioning. What I'm saying to you is, at the beginning they're all going to require questioning. How can they not?

Let's suppose I am a willing vendor and the member for Downsview is a willing buyer. With the best will in the world, in order to avoid the horror of subsections 4 and 5 of section 5 descending on my friend the member for Downsview, in order to avoid him having to pay a tax which I'm responsible for—I'll be in Switzerland by that time because you won't get me—in order for him to avoid having to pay that, he's going

to want to make sure that your department stamps it as okay.

What's going to happen is, we're going to make out all the papers, and I'm going to say this property was worth $500,000 back on April 9, 1974—I got my evaluation from my cousin Stephen, who happens to be a real estate agent, and he's promised me he'll give it to me; I've asked him already, and he agrees with me it's really a great piece of property—and it's in a good area because it's in the Premier's (Mr. Davis) riding and that in itself gives it a certain added status.

Mr. Breithaupt: Six per cent a year.

Mr. Shulman: Added status I would say. We have good neighbours. We just look across the valley and there he is. So, in order to make sure I don't stick him and I don't want to do that; and in order for him to make sure he doesn't get stuck by me, because he's a little suspicious of me at the best of times, we're going to send the papers in to your department, and one of those poor fellows sitting over there who's now going to be the head of that huge department, with hundreds of clerks, will say, "Oh, my God, another one." And he's going to give this one to clerk A because he's only got 400 waiting for him.

I tell you there is going to be 10,000 a day, 50,000 a week, because there is no way you can eliminate the 95 per cent. We accepted your figure of 95 per cent last week because we hadn't had a chance to show it to our experts. But they have pointed out to us the flaw—there is no way that any of it can go through because the only way the buyer can be certain is to have this bloody stamp of yours.

You're either going to have to sort of abandon ship and send it all back by reverse mail, or else you're actually going to have to look at it. In which case, 10,000 a day. Let's suppose we expand your staff a little bit; let's hire an extra thousand for you. What's a thousand? An extra thousand employees, the Treasurer (Mr. White) will be happy, it will help the unemployment figures, we can take them right off the welfare roles. So they'll have only 10 a day to do. Do you really think they can do 10 a day if we get a thousand of them?

By the way, my son, who is 19, has asked me to put in a good word with you because you're going to be needing a lot of evaluators who'll be going around all summer looking at property. If you would like one, I would appreciate it if you would take him on. But in any case, you would need 10,000. I am sorry, Mr. Chairman, but I thought I might as well get it on the record because Jeff is looking for a job for next summer.

Mr. P. G. Givens (York-Forest Hill): That's nepotism.

Mr. Shulman: Oh, is that nepotism? Not if it's done publicly.

Mr. Chairman: Order please.

Mr. Shulman: Well, I don't think he'll get the job.

Mr. Breithaupt: They will call you a thespian.

Mr. Shulman: Oh, I wouldn't want to be called that.

In any case, let's suppose you're able to get the Treasurer to vote you enough money for an extra 10,000 employees. You'll get Mr. Moog to build you a building somewhere to house all these people in. Let's suppose with these 10,000 they each have to do only 10 a day. How can they do 10 a day? If they only have to go out to see one of those 10 that's the day shot because, unfortunately, they're not all too close to the corner of Bloor and Yonge. Perhaps we could build subsidiary buildings all over the province for you; put 100 here, 100 there, 100 in the other place.

What I'm trying to get through to the minister, Mr. Chairman, with some difficulty, is that it won't work. It hasn't been thought through. The implications haven't been considered. In fact, if you attempt to make it work, you're going to bring down the whole business because there isn't going to be room for anything else. There isn't going to be time for anything else. This is all presuming that nobody appeals and everything goes smoothly. If all goes well it will be disaster. If anything goes badly it will be a mean situation.

Meanwhile, I say to the minister, it really is an impossible situation. You can't let this Act go through as it is. If you do you will succeed in your primary intention—you have succeeded—there has been a slight fall in some housing as a few speculators were forced to bale out. What, in effect, is happening is that it is finishing very rapidly; there's a complete freeze in housing. Try it. You can't sell, you can't buy, regardless of the price, because nobody knows what they are doing. Nobody knows what the implications are. Nobody knows what taxes are involved and nobody knows how to go about it.

But if you think you've got trouble now —and I think you're getting the first inklings —wait until a year from now. The early months of 1975 are going to be known as "nightmare alley" around the Ministry of Revenue.

I know you're not listening to me. I know you're not paying attention. I'm saying this only so that next year, in the Throne Speech debate I can read this out and say, "I said it to him." I'll say then to Mr. Speaker, as I say now to you, Mr. Chairman, "Here it is." I'll quote from Hansard. "I said it to him and he sat there and shook his head."

Mr. J. A. Renwick (Riverdale): You will have said it to the former minister by then.

Mr. Shulman: To the former minister who is not running for re-election because of certain circumstances which will develop in the next year. "I said it to him and he shook his head and he wouldn't listen. He chewed gum and he kept looking over at his advisers and they kept looking worriedly at me and at him."

Hon. Mr. Meen: I never chew gum.

Mr. M. Cassidy (Ottawa Centre): He was sucking a lollipop, as a matter of fact.

Mr. Renwick: Chewing Tums.

Mr. Shulman: I say, Mr. Minister, for the last time: I know you won't listen but are you going to have trouble.

Mr. Chairman: The member for Downsview.

Mr. Singer: Yes, I was just about to look up in the phone book and see where the minister lives. Do you still live on Yorkminster?

Hon. Mr. Meen: Never have.

Mr. Singer: Never have? I was going to amaze you by quoting the street on which you live but supposing a house two doors away from you is sold. Somebody arrives at the registry office in an effort to determine whether or not there was a tax payable under this statute and we put it through the computer for size, I guess.

There have been three sales on that street in the last six months and we have the assessment records and market value assessment records. How does the computer tell whether the houses are the same? It may say that one house has 60 ft. frontage and the next one has 50 and the other one has 75 ft. There may be some base on which that could be equalized but suppose one has five bedrooms and the other has two bedrooms? Suppose one has a finished basement and the other one doesn't? Or suppose, if you get into perhaps a more exclusive section where the minister might live one has an indoor swimming pool and the next one doesn't. How is your computer possibly going to be able to figure that out?

What you get, when you get to that sort of situation which is going to be the norm and not the unusual, is going to be a problem not of sending out a clerk—or even someone you might have in your department whom you might call an evaluator—but of doing a proper and full evaluation of the particular house to determine value. How do you do that? Nothing the minister has said indicates to me how those figures are going to come out of the computer and be at all meaningful because you haven't got the figures to feed into the computer.

How are you going to get at it? Are you going to work out these clearances? How are you going to get actual value? What is the mean? What is a willing buyer prepared to pay to a willing seller? Would the minister give us some light on this?

Hon. Mr. Meen: Mr. Chairman, I would like to touch briefly first, though, on the comment made by the member for High Park about his 70-acre parcel, or thereabouts, of which a couple of acres were valley land and the rest were up on the heights. Up on the heights there was a house, an attached garage, other outbuildings and the like. It might be, in that instance, that there was no particular parcel that compared with it; that there hadn't been any sales along the river bank with which one could make a comparison. In that case, possibly some special attendance might be necessary, other than the one that is made annually to examine these properties under the current market value assessment programme that is ongoing.

This year, for example, that parcel to which he makes reference, if indeed it exists at all—

Mr. Shulman: Oh, it exists. I was there yesterday.

Hon. Mr. Meen: —will have had an assessment made for it at market value, and the owner will have been appraised of that assessment. Now if he likes that assessment in its amount—

Mr. Shulman: Oh, I like it very much.

Hon. Mr. Meen: —he may have two reasons for liking it. One is that if it's too low, it may be he is intending to hold on to the house

and so he will pay a lesser amount of taxes each year. If it's higher than he thinks it's worth, he may be flattered; he may then reflect on what he can get for it. But if that is the case, he probably won't appeal it either if he is contemplating selling.

So one way or the other, if properties are not properly assessed, owners in special cases may be on the horns of a dilemma as to whether to appeal the assessment or not. That procedure is available under the Assessment Act, of course.

If we have that figure available next January, 1975, when the member for High Park and his colleagues decide to sell that property, it is a fair base upon which to work in determining, when they have a sale price established between a willing vendor in their case and presumably a willing purchaser, whether there has been any gain on which the Land Speculation Tax Act would apply. I don't see any real difficulties. In some instances, that may arise.

The vast majority of the transactions that go through the registry office every day are mortgage loans, sales of houses that are the principal residences of the vendors and that kind of thing. They are exemptions by the simple completion of the affidavit and never have to come to the attention of any official of my ministry in order to deal with them, rubber stamp or not; they are simply exempt by a provision of the Act and/or the regulations.

Mr. Shulman: Well, how many will have to come to the minister's office?

Hon. Mr. Meen: My ministry would be dealing with a very small part of the total number of transactions that go through the registry office.

Mr. Shulman: How many?

Hon. Mr. Meen: Well, we talked about that last week—

Mr. Shulman: Yes, but the minister's figures were phoney. He said 95 per cent wouldn't come to his attention; that's not true.

Hon. Mr. Meen: In any event, it would be a small percentage of the transactions that would require any attention.

Mr. Shulman: Has the minister sent anyone down to the registry office to see what it would be?

Hon. Mr. Meen: Now, the member for Downsview raises the question of the manner in which a market value might be established, via the computer, for a sale on Yorkminster, say, if he wants to use that example. Perhaps there had been only three sales on Yorkminster, which is a fairly long street—and one would think there might have been a few more than that—but if that were so and they weren't comparable sizes of houses, one would look for sales of a house that had roughly the same size of lot. You certainly wouldn't compare the sale price of a house that had five bedrooms with the sale price of a house that had two bedrooms in determining what was the fair value. You would also take a look at the terms of the sale. The computer prints all these out, I might add.

It would not be programmed for sales on that particular street, Mr. Chairman; it would be programmed to report back on sales in that particular area. So if there were sales on abutting Cotswold Cres., Lord Seaton Rd., Upper Canada Dr., or Normandale or any of the other streets in the district to which the member makes reference, in that case the computer would take a look at those sales in that area.

Mr. Shulman: Many abutting streets have entirely different values. Look at Ardwold Gate and Spadina Road.

Hon. Mr. Meen: It would be up to the person inquiring of the computer as to what characteristics he thought were appropriate—size of lot, size of house, vintage, type, terms of sale and so on; whether all-cash or part-cash and part-mortgage, that sort of thing, which indeed can influence the total sale price. These would print out for the benefit of the person taking a look at what we would hope would be the fair market value.

As I indicated last week when we were talking about this, it would also be done within a span of weeks or months surrounding the date upon which the evaluations were being sought. This will be in place and it will be possible to do this on fairly short notice. I have seen the mechanism demonstrated. It took about two minutes to get a comparison back with a printout of something like 10 or 12 different house sales in a particular area in Metropolitan Toronto—

Mr. Shulman: What happens to the fellow who sells a house on Ardwold Gate?

Hon. Mr. Meen: —in which sales were compared, and there was a price figure. There was how much the second mortgage was, how much was the first, the size of the lot, the number of bathrooms and the vintage of initial construction. It was extremely inter-

esting actually to see the way in which that information feeds back.

Mr. Singer: I am sure it would be very interesting but not very helpful.

Hon. Mr. Meen: Indeed it is helpful because it gives an average figure one can look at. Out of those one might see there is a factor on one of those particular houses that puts it in a different category, and then one might take it out of that picture and use the others to determine what was the fair market value.

Mr. Singer: Mr. Chairman, I hate to belabour this point but I think the minister is caught up in the wonders of modern science. He really is suggesting that the computers are going to be able to replace the art of evaluation. I called his attention last Thursday to the fact that, to my knowledge, none of the courts that have been delegated either provincially or federally to determine values on expropriation, has up to this point set any store at all to the assessment value.

Hon. Mr. Meen: With respect, Mr. Chairman, I heard the hon. member when he made that comment last week. I recall thinking to myself that those courts would have been dealing with the old formula of assessment that came up with a quarter or a third or a fifth and sometimes as ridiculous an amount as a tenth of the fair market value. It has no relativity. It has no relationship whatever to the fair market value which was the question before the courts in those cases. In this instance what we are talking about, and I suppose the member for Downsview is going to have to wait until he sees it in place in 1977, is the establishment of a fair enough market value, not some artificial formula that determines an assessment based on what vintage of bathtub and the rest of it, according to the old Alf Gray formula which, as he and I both know and I'm sure most hon. members realize, was a very unrealistic and highly artificial method of coming up with an evaluation.

Mr. Singer: I agree. The minister may have been listening closely but he wasn't listening awfully closely to my colleague from Waterloo, who has made a very intense study of this problem in his own constituency and has the assurance of the local assessment supervisor, that this market value assessment in Waterloo—in any event, the new one that he is talking about—is about 60 per cent of value. There is one of the first. We haven't seen one in Metro yet. I don't know what it is going to look like in Metro and whether the opinion is going to be 50 per cent or 60 per cent or 61.75 per cent. Nobody really knows, but I pay great store to the comments made by my colleague from Waterloo—

Hon. Mr. Meen: That is why we did it the way we did.

Mr. Singer: —who is a student of these things and an intense student and a very responsible student of these matters. When he says that he has examined them and been in touch with his local assessment officials who are employees of your department and that they are of the opinion that the new assessments, which are supposed to reflect market value, are close to 60 per cent, then I believe him. I just don't see why you are going to expect magic. It may be that you will have a more equal system of assessment for local tax purposes, but I don't think that the insertion of the words, "actual value" or "market value" or any other similar set of phrases in your assessment Act is going, in fact, to make it so.

What the ministry is striving for, and I think it is worthwhile, is the equality of assessment so that the burden of municipal taxes will fall more equally than it presently does. That makes good sense. But to take the next jump and say that you are really going to reflect market value and you are going to use that for the implements of this tax, I think is just dreaming in Technicolor. I don't think you are going to come close to that.

What I am really talking about, and what I think the member for High Park is talking about is that where you get into most of these cases where there is a dispute, you are not going to be able to resolve the dispute by pressing a number of buttons on a computer. You are going to have to send out trained and competent evaluators. They will have to prepare full and complete reports; pictures, descriptions of the buildings involved, with the size of the land and the specific location. There will be comparatives on the site, location, fuel, number of bedrooms, number of bathrooms, all that sort of thing.

I just don't understand how you are going to get at these things by pressing a number of buttons on the computer. The computer is not going to replace the very fine art of evaluation; and unless you have some system of arriving at a reasonably comprehensive and reasonably believable evaluation, then this isn't going to work.

Mr. Chairman: The member for Scarborough West.

Mr. S. Lewis (Scarborough West): Mr. Chairman, this section speaks more directly than many to the utter confusion that exists in the marketplace as a result of the introduction of the bill. I noticed with some bemusement in the Sunday Sun and in today's Globe and Mail that the ministry is embarking on a project of 29 meetings across the province to explain to 8,000 bemused and bewildered lawyers what it is about this bill which makes it so noxious. As a matter of fact, if I remember the stories accurately, you are going to point out the dangers and the haztrds in the bill.

Mr. Singer: Was it the ministry or the bar association that was to be involved?

Mr. Lewis: Well, I think the ministry was to be involved because the ministry was at the meeting of last Wedneday night.

Mr. Singer: Mr. Stephenson was there.

Mr. Lewis: Mr. Stephenson was there. The ministry was exposing itself to a degree of public ridicule visited only upon the minister in these chambers; not as a rule in another public place. And this must surely be a matter of some artful, personal accomplishment that you have set a bill in motion that six weeks after it is introduced you have to have 29 major meetings around Ontario to explain the black magic contained in the clauses to the legal profession. Normally, not unlike the witches around the cauldron, they are able to create their own magic out of clauses without the help of the ministry.

And the shambles that exists within the ministry in response to questions is itself interesting. Now, I missed Thursday's session; I was not able to be here. But I have a copy of a letter which was sent to the Hon. A. K. Meen by David H. Milman of the firm Milman and Valo, which speaks directly to the section we are now dealing with. It speaks to the lien clearance certificate pursuant to the bill. I don't know—did anyone put this on the record? I don't believe so, Mr. Chairman. I would like to do it because it is such a perfect commentary on the present state of the ministry.

"Attention the Hon. A. K. Meen.

"Dear Sir:

"Re: Grgas and Tbljas sale to Gwendoline Usher, 32.6 acres, township of Eramosa, part lot 30, concession 5, parcel 7.

"I am enclosing herein a copy of an undertaking this firm was forced to give to your ministry in order to obtain a lien clearance certificate pursuant to Bill 25, which, as you are aware, at the date of the giving was still not in force.

"I am also enclosing herein a copy of the agreement of purchase and sale which was entered into on April 24, 1974, between the above parties. This writer received a copy of this agreement of purchase and sale on April 26, and in accordance with the proposed requirements of Bill 25, delivered to your ministry by hand a copy of the agreement with a request for clearance, with our opinion as to value, in order that a lien clearance certificate would be obtained prior to the closing date, namely May 15, 1974.

"On May 10, 1974, this writer contacted your department with reference to the letter forwarded on April 26, and spoke to a female clerk whose name was placed on the copy of our letter to you, who advised she would look into the matter and call the firm back.

"On May 13, the writer again contacted the clerk in question, and was again advised that she was still looking for our letter and would advise us in due course. Again, on May 14, 1974, this writer phoned the clerk in question and was again advised that she had not found our letter, but that on a personal attendance we could speak to any of the clerks at the counter who would provide the necessary clearance.

"On May 15, I therefore sent our student to your premises at 77 Grenville St., taking both the file wherein our client had purchased the subject property last year, together with our file on the sale to Usher, with instructions that he was to allow anyone from your department to peruse the contents of those files, to ensure that you had all the facts available to come to a conclusion with reference to whether any taxes might fall due.

"My student was given a flat rejection by your clerk and, in accordance with his instructions, contacted the writer by phone. I then requested to speak to the supervisor of the department but first had to explain to the clerk that, unless some special circumstance existed, the price of this property could not have risen from April 9, when Bill 25 was proposed, to the date upon which the agreement of purchase and sale was entered into two weeks later.

"Further, I advised the clerk that this property was listed for sale at $30,000 early in March, over a month prior to the announcement of the proposed Bill 25. As well, I pointed out that Minister of Housing and yourself were making statements in the newspapers that the effect of Bill 25 was

to lower the price of real estate but, it would appear that your employees and staff are not aware of these statements. I would certainly think so.

[I add, apart from the letter, a more absurd set of self-serving statements hasn't been issued in a long time and it was indicated in this Housing Ontario/74 today.]

"The clerk advised he did not have the authority to make a decision and I further requested to speak to his supervisor. I was then turned over to a Mr. Walker, whose position was similar to the clerk, and advised that unless an appraisal was forwarded they would not give the clearance. I advised Mr. Walker that, in the event the Minister of Revenue failed to provide a clearance, the transaction would not close. The effect of your ministry's actions would, in fact, make property unsalable as most vendors are unable to pay the tax in advance. The result is that a vendor is held up to blackmail as he is required to make a settlement in order to obtain the necessary clearance.

"Mr. Walker suggested that we enter into the undertaking and close. I then requested that he write out whatever necessary undertaking he wished and I would have my student execute it. I was then advised that he was too busy to write this out and that I would have to have my student write it out and, if it was not in the proper form as he had requested, the clearance would not be given.

"After this matter was settled, I then received a further phone call from our student advising that Mr. Walker required the copy of the agreement of purchase and sale which was in our file. I then advised that this was the only copy that we had and that we had forwarded one to your department in our letter dated April 26 and advised our student to show them a copy of our letter to you dated April 26. Without my knowledge, Mr. Walker removed the copy of our letter to your department, with which we forwarded a copy of the agreement of purchase and sale, and insisted on an undertaking that we forward another copy of the agreement immediately.

"While this writer, one of our students and two of your employees were negotiating the lien clearance [I add, parenthetically, clearly taking up all the administrative and intellectual prowess of the entire ministry for some 48 to 72 hours,] somewhere in your department our original letter dated April 26 was being answered: 'I am enclosing herein a copy of the lien clearance certificate forwarded by mail, postmarked on the 15th day of May, 1974, in accordance with file, etc., certifying that no lien arises under the Land Speculation Tax Act.'

"This was our original request; this clearance arrived on May 16. You will recall, of course, that the closing was May 15. Notwithstanding the issuance of your lien certificate prior to our entering into the undertaking enclosed, I am enclosing: (a) a copy of the real estate appraisal of the subject property as of April 9, containing confirmation that the property was listed over a month prior to Bill 25 being proposed; (b), a further copy of the agreement of purchase and sale in this regard.

"I will assume that you are now satisfied that no lien has arisen under the enclosed agreement of purchase and sale and unless I hear to the contrary within 10 days of the date of this letter, I will be releasing the balance of the funds held in my trust account to my client.

"Since the writing of this letter I attended a seminar of the Canadian Bar Association on the Land Speculation Tax Act and listened to Mr. Isaac Stephenson advise that your ministry and its employees were being as co-operative and efficient as a government department could be. In this regard I think the contents of this letter speak for themselves.

"It certainly appears from the content of the Act that what the government of Ontario is attempting to do is far beyond the controlling of land speculation which can be achieved in a very simple way without affecting and hurting all of the people that you are presently hurting.

"Yours truly, David Milman".

I'm not one given to reading lengthy documents into the record, as the minister will know, but I thought the letter was so peculiarly apt to this section that it should go on the record. The letter says a number of simple things. No. 1: That not just the real estate market but the internal operations of your ministry have been reduced to an authoritarian shambles by the introduction of this Act. I use the word "authoritarian" advisedly, because there is nothing more objectionable than the capricious and arbitrary behaviour of clerks under pressure, when no one gives them direction, when they are left to their own devices, and when it is impossible to clear this peculiar matter up by some clarity, some direction, some indication of what this scrambled piece of legislation means. They may think they are acting in good faith but they are so harassed, they are so nonplussed, they are so uninformed, they are beating

such an administrative retreat that their contact with the public is arbitrary. The other lawyers who met in the Royal York gave testament to that, as well as Mr. Milman.

Secondly, this Land Speculation Tax Act is acting directly in this way, even dealing with something which is supposed to facilitate it, like the lien clearance certificate, it is acting directly to slow down real estate transactions. My colleague from High Park asked a very important question today at question period, which the Minister of Housing (Mr. Handleman) simply sloughed off. There are more listings on the Toronto real estate market, for example, but the number of sales is declining.

I had a real estate agent bring to my office this morning the actual sales that had occurred for every day of the first 25 days of May as they are listed in the Toronto Real Estate Board transaction sheet, and it's discernible to the naked eye, let me tell you, the gradual decline in the number of sales as you proceed through the month of May, because this piece of legislation, along with the interest rates, is serving to choke the housing market.

Now the third point this letter makes, which is a perfectly valid one, is that the Land Speculation Act is throwing a net so wide that it is hurting, and I like the use of the word "hurting" because it's a flavoured and descriptive word. It is hurting people who have never in their lives contemplated speculation or who have not now entered into speculative transactions. With this clause, as well as the others, you have in one fell swoop managed to bring within your ken all of the people in the province who might want to enter into innocent real estate transactions and are now, by the devices of your ministry, reduced to the suspicion of speculators. They resent it, and on their behalf we resent it.

From nursing home residents to farmers, to the aged who have an apartment and now want to sell their home, you have made speculators of the population of Ontario and the only people who will escape are the large corporations who can use your exemptions and loopholes to avoid the payment of the tax. It is a bill of such inspired perversity, you have raised the punishment of Ontario to an electoral principle in this bill, and you are punishing so many people by the introduction of this statute that it would be hard to name them all.

But most important, Mr. Chairman, this letter and the certificate which relates to liens show that you are effectively ending housing in the province. Mr. Chairman, this is becoming an incredibly frustrating process these weeks. I will grant the minister that the interest rates are the primary cause of the deceleration of real estate transactions. Okay? I'll grant you that the announcement of 11.75 per cent on Friday, which means effectively 12 per cent—by the way, on an average house in Metropolitan Toronto now, $58,450 in the 25 days in May, a 12 per cent mortgage amortized over 35 years leads to a total cost of $210,000-plus on the lifetime of that mortgage. You tell me who, other than members of the Legislature, or the 18 per cent of Ontario families who earn more than $18,000 a year, can afford to pay out $210,000 in order to buy a house whose actual price is $58,000? But that is what you are doing.

The interest rates, bad as they were, have been complicated fatally by this Land Speculation Tax Act. The interest rates, you see, are manageable; while they are objectionable, they can be coped with because we understand them.

But the bill, as the 1,450 lawyers gathered at the Royal York Hotel pointed out, and as the 29 meetings will show over the next number of weeks, is indigestible and absolutely incomprehensible. I sit with the finest legal minds in Ontario on this side of the House Mr. Chairman—the member for Lakeshore (Mr. Lawlor), the member for Riverdale have no peers in the legal profession. On the Liberal benches are other distinguished lawyers, working hard to grasp the meaning of the bill—not quite as accomplished as those of socialist divination; nonetheless working at it. I have noticed an improvement in capacity over struggling with this bill.

The factor remains that whether it is the coterie of lawyers in the NDP caucus, or the positive plenitude of lawyers in the Liberal caucus, none can understand it. I may say, Mr. Chairman, I have had six months at a pre-law school, and I can't understand it.

Mr. Chairman: Order please. I wonder if I could say to the hon. member for Scarborough West that—

Mr. Lewis: You think I am straying?

Mr. Chairman: Yes. You were right on the bill at the beginning, but I am afraid you are straying. I wonder if you would come back to section 5.

Mr. Cassidy: Not very far, Mr. Chairman, not very far.

Mr. Lewis: I think I strayed a little, I concede that and that's why I am coming right back to the clause as I was at the beginning.

Mr. Cassidy: It is your impatience that is to blame for that.

Mr. Lewis: What I am saying to you—I guess we are not getting through to the minister, but as I stand here we are getting through to the public. The public of Ontario knows that the constructions in this clause are so complicated the lawyers are in rebellion. The public of Ontario knows that this bill is having a disastrous effect. The public of Ontario knows that if you bullheadedly push forward with this, you will have to repeal it several months from now because it will be an unmitigated disaster for you. There is no escape for you.

I put this letter on the record, Mr. Chairman, as one small example of the immense frustration which the legal profession is now feeling in dealing with the minister. Can you imagine what this man Milman now says to his clients who want to engage in real estate transactions? He obviously can't deal with them expeditiously; he obviously can't promise them an answer in a matter of days; he obviously can't promise them co-operation from the minister. I don't know what madness possesses the members over there to pursue this piece of legislation, but in every clause it is so faulty as to be fatal. My colleague from Riverdale was saying that he expects it will be repealed within the year; my colleague from High Park thinks it may be repealed earlier than that. Some of us think it may never be proclaimed, although obviously it has to be because it was announced on April 9. Jericho is caving in around the hon. minister. He is sitting not on his seat, but in rubble. He doesn't understand it, and we are trying very hard to explain it to him.

Mr. Chairman: We have the amendment of Mr. Singer—the member for Riverdale?

Mr. Renwick: Mr. Chairman, just before we leave that point, I think the crux of the problem as was so ably stated by the leader of the New Democratic Party is very simple. This bill has made the minister a party to every single real estate transaction in the Province of Ontario. That's the sum and substance of the procedural hassle which he has developed for himself. I cannot conceive of any real estate transaction going through in the Province of Ontario which will not be subject to the condition that a certificate of the minister be obtained.

The other clause providing for an affidavit is not going to be used in the way in which the minister thinks it is going to be used. Every time that a transfer of land takes place in Ontario he is going to have to okay it. I have heard the government on occasion say to this party, "You believe in government intrusion into private business transactions." We have never seen an example of the intrusion of government such as this.

The crux of it is exactly that—you are now a party to every real estate transaction in the Province of Ontario, and you haven't got the machinery, the knowledge, the capacities or the information on which you can now act. I cannot conceive that even Mr. Milman, with the obvious knowledge of real estate transactions which he has—which far exceeds any knowledge I may have about it — can believe for one moment that the certificate which he has now received is of any use whatsoever. He is now dependent upon your validating that certificate because there is no way in which that certificate is binding on the minister at a subsequent date.

The bill at the present time has ground the real estate market to a halt and will continue to do so. I suggest to the minister that we hear, at odd times, talk about the sort of ideas which the Treasurer of Ontario has from time to time. For reasons which we can't understand, the government seems to buy the one so-called bright idea of the Treasurer every time he opens his mouth. It was only because he wasn't Treasurer but merely chairman of the select committee on taxation that we escaped from the imposition of the retail sales tax on food.

Last year the people of the Province of Ontario, aided and abetted by us, forced the repeal of the other bright idea about the retail sales tax on fuel oil. This is another one of his bright ideas. It is not thought through; it is not subject to the government scrutiny involved with the imposition of a tax simply because under budgetary procedures nobody could think it through and nobody had any advance knowledge of what was required.

Mr. Minister, I don't know how it is going to work out. I appear to have been the optimist on this side of the House thinking it would be about a year before it's repealed. But other people, much more knowledgeable than I am in this field, are now satisfied that it is so unworkable you are going to have to recall the bill within a much shorter period of time and that, in fact, it will not

see the light of day as a continuing piece of the legislation of the Province of Ontario.

The reason I say you have made yourself a party to every single transaction in the Province of Ontario is that in subsection 2 of this bill the certificate, to be of any value, must be dated on the date of the closing of the transaction. It is no good the day afterward. If the transaction is closed the day after the date of the certificate, my reading of subsection 2 says that does not remove the lien. The lien exists and there is no way in which you are going to be able to operate it so that you can place in the hands of every solicitor who is closing any real estate transaction, in all the land office across the city of Toronto, a certificate dated that day.

The minister shakes his head, but I'd certainly call in aid my legal colleagues on the opposition benches of both parties. The section says, "but the giving of the certificate does not destroy the special lien for tax resulting from any disposition of designated land occurring after the date as of which the certificate is given." I take that to mean that if the certificate is dated May 27 and the closing of the transaction takes place—

Mr. Chairman: The hon. member – order please.

Mr. Renwick: —on May 28, for practical purposes the lien attaches to that date.

Mr. Chairman: Order, please.

Mr. Renwick: I ask my colleagues to consider that because we'll be coming to that clause very soon.

Mr. Chairman: We are on section 1 now.

Mr. Renwick: Mr. Chairman is now calling me to order because we're on subsection 1.

Mr. Chairman: Right.

Hon. Mr. Meen: If we can come back to subsection 1, I'll deal with the as-of-which when we get to subsection 2. Mr. Chairman, I just observe that if the Milman letter is accurate – I have not seen it; I gather it was delivered to the member for Scarborough West before it was delivered to me. In any event, I have not seen it.

Mr. Renwick: Mr. Chairman, there are no grounds for that at all. The letter is dated May 22; it is addressed to the minister, with a copy to the leader of the New Democratic Party and, presumably, a copy to the leader of the Liberal Party.

Hon. Mr. Meen: All right, I am not quarrelling with that. I am just saying I haven't seen it yet.

Mr. Cassidy: Okay, that's your problem, not ours.

Mr. P. D. Lawlor (Lakeshore): You don't have to tell us.

Mr. Renwick: We read our mail.

Mr. Chairman: Order, please.

Mr. Lawlor: It speaks for itself.

Hon. Mr. Meen: I would concede that certainly the mechanism in my ministry is not handling these applications with the degree of efficacy which I feel should be accorded to them—

Mr. Renwick: But you can't blame your ministry. You are competent to do it.

Hon. Mr. Meen: —albeit members of the legal profession don't have available to them a bill which is law, a bill which incorporates the amendments and a bill which they know isn't about to be changed with some other amendments that may come along from time to time.

One of their big difficulties last week presumably was that many of them had not had a chance to examine the bill as reprinted for the benefit of the members of this committee in this current debate.

Mr. Lawlor: Wait until they do.

Hon. Mr. Meen: Of course, another difficulty is that they are dealing with a new piece of legislation, and that is bound to take them some time. It is regrettable that it had to be at a time of year when every law office is as busy, I guess, as it is at any time of the year, if not busier. That just happens to be the way it is.

I think that as soon as this bill can be law and copies of the bill as proclaimed then distributed to every member of the legal profession, just as we did with the Land Transfer Tax Amendment Act this year, those members would be able to come to grips with the Act and understand what they should be doing and what they need not do.

That covers my comments on subsection 1, Mr. Chairman. There are others when we get to subsection 2, but I think you did wish to deal with subsection 1 first.

Mr. Singer: Okay, let's vote.

Mr. Chairman: Those in favour of Mr. Singer's amendment please say "aye."

Those opposed please say "nay."

In my opinion the "nays" have it.

Shall this be stacked?

Mr. Singer: No stacking; no stacking in this statute at all.

Mr. Chairman: Call in the members.

The committee divided on Mr. Singer's motion to amend section 5(1) which was negatived on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 27, the "nays" 44.

Mr. Chairman: I declare the motion lost and the subsection carried.

Mr. Singer: Section 5(2), Mr. Chairman.

Mr. Chairman: Section 5(2). The member for Downsview.

Mr. Singer: Mr. Chairman, I am very unhappy about section 5(2) for a variety of reasons.

An hon. member: So am I.

Mr. Singer: The first point that occurs to me is the ability—I suggest we wait and get the minister with me—to issue these certificates presently with a variety of people who are signing them and to make the validity of the signatures retroactive. To satisfy my curiosity I made reference to the Department of Revenue Act, now called the Ministry of Revenue Act. Section 9 of that statute says:

> The Lieutenant Governor in Council may make regulations authorizing or requiring the Deputy Minister of Revenue or any officer of the department to exercise any power or perform any duty conferred or imposed upon the minister by this or any other Act.

I don't know who the people are who are signing these clearances. It isn't the minister because I have a few in my office at the moment. It isn't the deputy minister and I don't recognize really the signature of the person who signs them. Are the people who sign them officers?

Even if they are, I wonder when you turn to section 23 whether the retroactivity attempted to be enacted by section 23 is sufficient to cover this kind of an action. Section 23 says:

> Upon receiving royal assent, this Act shall be deemed to come into force on April 9, 1974, and to apply to every disposition made, tax imposed and everything that may be required to be done under this Act that is made, imposed or done after April 9, 1974.

I think it is going to be a very, very important legal question as to whether or not a certificate signed by somebody in the department who may or may not be an officer today or the day on which he signs it, and I suspect that you haven't designated the signing people—I don't know how many you have as officers—on April 10 or any day after and including April 10 is, in fact, remediable by the passing of a regulation whenever, if, as and when, this statute comes into force. So I have really grave doubts in my mind as to whether or not the certificate which says there is no lien, is, in fact, going to have any validity.

I understand that this point—and the second phase of it that I'm going to come to in a moment—was raised rather vociferously and laboured quite extensively at the meeting that took place at the Royal York Hotel last Wednesday. If my information is further correct, Mr. Stephenson, who was representing the government, indicated that, in his mind, the granting of these certificates had grave legal doubts surrounding it and very possibly, or even probably, the certificates were no good for that reason.

There is another point insofar as these certificates are concerned. It says in subsection 2:

> The giving of the certificate does not destroy the special lien for tax resulting from any disposition of the designated land occurring after the date as at which the certificate is given, and the giving of the certificate does not impair or relieve the transferor from his responsibility to pay any tax imposed by this Act.

Now, if the certificate is given—and as I say, I have a few in my office now—in advance of the closing of a particular transaction, and a solicitor is reasonably careful about trying to get his papers in order in advance, perhaps even several weeks in advance, and then tenders the certificate at the time of closing several weeks after it has been dated, it would seem to me as I read those last few lines, that the certificate is invalid.

Or, another case: What happens if the particular transaction is a two-way or three-way transaction, so that the land goes from purchaser A, who becomes vendor A, to purchaser B? Or it's a three-way or a four-way transaction, and it's covered by one certi-

ficate — or should it be covered by two certificates, or three certificates, or four certificates? And if the coincidence of dates is not exact, then is there any validity to the certificate?

You see, Mr. Chairman, what puzzles me, and what puzzles so many lawyers who have tried to sort this thing out—and who have tried to act in the best interests of their clients — even when you get the piece of paper what, in fact, does the piece of paper mean?

Let me review just very briefly. Is there a power, either under section 9 of the Ministry of Revenue Act, and under the retroactivity section of this statute, section 23, to allow persons who are not officers to issue these certificates and then regularize them at some later date by passing of an order-in-council? I have grave, grave doubts about that.

The second point is, if the coincidence of dates isn't such as I've tried to very briefly outline, is the certificate any good at all; or is it just a piece of paper that you wave around and then argue about it at a later time?

What comes to mind, Mr. Chairman—and it was cleared up eventually by the Supreme Court of Canada—there used to be a practice of obtaining an opinion from the income tax people in Ottawa about whether a particular transaction was taxable.

And before we had a capital gains tax the arguments usually revolved around whether or not the transaction was an ordinary business transaction, or whether it was a capital gains type of transaction. Several years ago the department used to send out letters saying, "In our opinion"— or in the opinion of the person who signed the letter— "this transaction is a capital type transaction and therefore it's not taxable."

And then what happened, on several occasions, was that somebody else in the department reviewed the transaction and came to the conclusion that the original person who signed the letter had no real authority to sign the letter. He gave his opinion, and people acted on that opinion. But the Supreme Court of Canada came to the conclusion that unless that letter had been signed in accordance with the provisions of the Income Tax Act, then the opinion of an official really was meaningless, and that if the transaction was, in fact, an income type of transaction, then, notwithstanding the fact that there was a letter from a senior official of the department, the whole transaction was taxable. That's what bothers me very much about the unusual wording of this, about the retroactivity and about the fact that there is nothing apparent at this moment as to who can sign these clearances. We were touching on it, I suppose, in 5(1).

How many clearances are you issuing a day? I don't know that the suggestions put forward by the member for High Park were accurate, but if there are 10,000 transactions going on a day or a week, how many certificates are you issuing? How many people are signing them? Are all these people going to be officers of the department? Are you going to make them all officers? How are you going to do it?

When are they officers and do they have power to sign these clearance certificates? Even if you can do it retroactively and you have an order in council with 100 names on it appointing all of these clerks as officers of the department, can you really bring that within the provisions both of section 9 of the department's Act and section 23 of this Act?

In other words, even if we accept what the minister is trying to do, and we have been trying very hard to accept it, surely we must have something more than a dozen lines in subsection (2) of section 5 which is going to indicate that these certificates are valid once obtained. There must be some finality to the transaction and those responsible for advising Ontario people about the validity of a real estate transaction can advise them with some certainty. Section 5(2) is far, far less than certain.

I am impressed with the reports that I obtained from that Canadian bar meeting and also from the comments, and I didn't hear them, attributed to Mr. Stephenson who apparently shares my doubts and apparently shares the doubts of those lawyers who raised it at some substantial length at that meeting. I think it's up to the minister to resolve those doubts in a forceful manner and to indicate to us how we are going to be able to establish, or how anyone who has to deal with this Act is going to be able to establish, that once they have received a certificate, that it is, in fact, valid; that it is valid even if there are one or two or three or half a dozen transactions emerging on the same day; that it applies to all of them; and that the person signing has the kind of authority which he should sign.

It seems to be 5 of the clock, Mr. Chairman, and it is my understanding of the rules that we get into another order of business at

this time. It may be at 8 o'clock that I might have some more words to say on section 5(2).

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports progress and asks for leave to sit again.

Report agreed to.

PRIVATE MEMBERS' HOUR

NOTICE OF MOTION NO. 4

Clerk of the House: Notice of motion No. 4, by Mr. Drea.

RESOLUTION: That the government of Ontario through the Minister of Transportation and Communications review its present policy of granting exclusive licences for the sale of gasoline products and maintenance of restaurant facilities on the province's controlled access interurban highways.

Mr. F. Drea (Scarborough Centre): Mr. Speaker, I move resolution No. 4.

Mr. Speaker: The member for Scarborough Centre moves resolution No. 4.

Mr. Drea: Mr. Speaker, the purpose of this resolution is to have the Ministry of Transportation and Communications take a long look at the service facilities that are being offered to the public—particularly the food facilities that are offered to the travelling public after Labour Day and before May 24. It seems to me, as a person who uses Highways 401 and 400 particularly, that while the quality of service and the quality of food does not match the top dollar prices being charged in the summer months or in the peak travel months, the service disintegrates, particularly in regard to quality, once the summer tourism ends.

I suppose there is a reason for that, Mr. Speaker, because the volume of traffic obviously does go down once the summer months are ended. However these facilities, when they were allowed to be erected, represented a fundamental change in government policy, particularly on Highway 401.

If you recall in the beginning, as Highway 401 was built, the policy was that we would erect signs at the appropriate cloverleaf so that people would be able to go off of the highway for their food and for gasoline and service to their automobiles. Then, Mr. Speaker, we turned full about and we set up rather permanent leases right on Highway 401. Mind you, we have never really sifted out exactly what we wanted to do because we still have the signs offering, food, fuel and accommodation at the particular cloverleafs. But nonetheless, for the tourists and for the salesmen or the truck driver or those who are using cars in the wintertime, we have the sole and exclusive institutions on the highway.

Quite frankly, sir, I personally regard the quality of service, and particularly the quality of the food in respect to the prices that are being charged, an affront to the travelling public. I think the time has come for the government to get out of the food business. The truth of the matter is it is as much our fault as that of the private proprietors that this situation has developed.

I think the time has come for us to get out of the food business, out of the gasoline business, out of the service business. Because the responsibility for the quality of food is ours. If you read through the leases that are offered to the oil companies, we say that 40 cents on the dollar out of the restaurant facilities must come from food. That is an extremely high amount. Consequently it leads to inflated food prices.

Secondly, because of the fact that the service centres have to be open 24 hours a day, seven days a week, the gasoline costs more. I suppose that on the basis of the money they have to pay us through the tender, on the basis of having help around the clock, on the basis of other costs, particularly in the winter months, they feel justified in getting a premium price—not only for premium gasoline but for the regular gasoline. Because of this, Mr. Speaker, the travelling public—not only as tourists in the summertime, but in the wintertime as people who are by necessity using Highway 401, in particular, as the main thoroughfare of the province—is literally being held up to ransom.

Mr. Speaker, I think it is fair to say that people who travel by automobile in other jurisdictions will find the same thing occurring on the older American toll roads where they do have sole and exclusive licences. I think if you try to match the quality of food or service on the New York Thruway, where they do have this system, against the quality of food, the price, the opportunity for choice, and the price of gasoline on the Interstate highways in the United States, where they do not have the

leasehold centre on the highways but where instead it is located at the cloverleafs, there is a vast difference where local enterprise, local people, usually through the franchise system operated by the oil companies, do have the ability to compete for the dollar of the travelling public. For those who are used to travelling the Interstate highways in the United States, at virtually every cloverleaf there is the choice of at least two facilities and very often four.

I suggest to you, Mr. Speaker, that competition rather than exclusive leaseholds, does provide—at least in the only comparable jurisdiction that we can look at—a far better deal for the travelling public.

We have 19 service centres on Highway 401 and all 19 are engaged very actively in skimming. They make their maximum dollar in the summertime and once the heavy tourist season is over the customer is virtually on his own. It is virtually impossible to get food service, even in the better ones, because most of them resort to cafeterias in the wintertime since that eliminates the need for help. In other words, you are still paying top dollar and you are serving yourself while they avoid the labour costs.

I think it is very interesting that in the leases it says you will have a restaurant facility capable of holding 150 persons and then it puts in brackets "cafeteria optional or supplementary." Mr. Speaker, they've gone to cafeterias, at least the ones that I've been in, because it is much cheaper to operate in the wintertime, because you avoid the help.

Looking through the leases, we have looked at everything from the quality of water, from how they have to sand the highway or the entrances into them, to the illumination, to the grading, to what happens to the top soil, to the building itself—it has to be designed in such and such a way—as I have said, the question of the eating area capable of seating not less than 150 people. We even give them a traffic survey as to how many cars are going by now on the average, how many will be going by in the 1980's.

We regulate the service prices. We tell them that without our permission they can't sell anything that other restaurants do not sell—I don't know what that would be—but none the less, we go to great lengths on this. We even make them refrigerate their garbage. We say that all refuse must be refrigerated, presumably in some kind of cold storage, until it can be removed. We go to great lengths that way.

Then we come down to the only thing we care about with the food, it must be of high quality, particularly in light of the debate in the committee of the whole on the land speculation tax, high quality as a standard does not impress me as something that can be enforced very readily. Indeed, who is to enforce it? We also get to the point where anything on the menu, both in terms of its quality and its cost, must be approved by the ministry.

Mr. Speaker, when we are in the position that these people are tendering large amounts of money—and we've seen the example where one perfectly good restaurant facility on Highway 400 is being demolished and a new one being built because the competing oil company has offered a higher price in return for a long-term lease—when we see things like that, it seems to me that the travelling public does have the right to expect a little bit more than it is getting now.

First of all, I fail to see why we have devised such a system and such a payment of leases that it is virtually impossible to get table service eight or nine months of the year at centres that are located not for the convenience of the Ministry of Transportation and Communications but for the convenience of the people who are driving. I fail to see why, in most of them, it is impossible to get a cup of coffee or some light meal for eight or nine months of the year.

Granted, on the basis of their projections and their tenders, I expect that they are going to do the bulk of their business in the summertime. But, Mr. Speaker, we have allowed them to have a sole and exclusive licence, not just for June, July, August and part of September; but 24 hours a day, seven days a week.

These leases are for 25 years. It doesn't say anything in them that there will be one standard during the warm weather, and during the rest of the year, let the motorist beware. They are supposed to maintain the same standard.

I suggest to you, Mr. Speaker, that under the present tendering arrangements, the present lease arrangements and the present entire inspection system, these service centres have turned into a rather intriguing product of the bureaucratic mind; and the persons who pay the most—the motorist and his passengers, because they're having to pay for it—are the last people to be considered.

As I say, if you look through these leases you will see that great attention is paid to

the water supply, to the sewage disposal system and to a great many other things. They may be very necessary for the community; they may be very necessary for the proper maintenance of the highway. But there are pages and pages and pages of convenience to the ministry, and very few lines of convenience to the travelling public.

Mr. Speaker, we should look at the fact that in the tourist months these service centres are the first and, I am rather afraid, the last particular piece of Ontario observed by visitors from other provinces or particularly from the United States. Frankly, if I was a tourist from the United States and hit one of the service centres on Highway 401 as my introduction to Ontario, I rather suspect that the memory might stay with me for a long time.

Since tourism is an integral part of the economy of this province, it seems to me that the Ministry of Transportation and Communications has to come up with a better way of supplying more than the essentials—because gasoline, oil, towing and all the things that go with the car certainly are essential on a controlled-access highway. But certainly since we have entered into the time when we say there also must be something of convenience—because these aren't just centres to merchandise petroleum and ancillary products; there are very large dining rooms and other facilities there—if we are really interested in building up tourism and in encouraging people to travel, then we'll have to take a long look at what we have created by these long-term leases and at what we have created by this 40 cents on the dollar coming from food. People in the restaurant business will tell you that 30 cents on the dollar for food is getting high, 35 cents on the dollar is getting very high, and that you really have to charge if you are in the 40-cent category.

Granted, almost all of the restaurants are captives of the major oil companies. I think that is another reason that we should have a little look. I have very little confidence in the ability of the American oil companies—because all of them are American—I have very little regard for them when they become concerned about the convenience of Canadian drivers. After all, they're the same oil companies that just jacked the price by 10 cents a gallon. They are the same oil companies whose corporate responsibility extends to the point where some of them have ceased their drilling and exploration because they feel that the future of Canada is rather uncertain.

I think that to leave the fate of the travelling public to that kind of corporate decision-maker is really asking for it, despite the fact that the Ministry of Transportation and Communications has tried, in its own way, to set up leases that will do something for the public.

Mr. Speaker, I think we should also realize that once you are on Highway 401, and because of the nature of the economics of the petroleum industry in the way that they service people, you are almost a captive of your credit card. When you are a captive of your credit card for the petroleum products for your car, you are almost a captive of whatever restaurant facilities have been supplied by your particular oil company.

I realize that you can go another 45 or 54 miles down the road and that may be convenient in the tourist season. But I suggest that in the winter months, during the fall months or in the spring months, the people who drive the highway by necessity for business are trying to get from point A to point B in the shortest period of time, you don't want to be in a position where you have to buy gasoline at one place, but because you know the quality of food is bad there you're going to have to stop at the next one to eat. I think that in terms of convenience to the motoring public that is asking a bit much.

As I say, Mr. Speaker, in the United States when the controlled access road began, it was a toll road and the leaseholds were prevalent. When the Interstate highways came in—they are not toll roads—the decision was made that they would not have the service centres on them. Highway 401 with its cutoffs and its cloverleafs, lends itself admirably to a system whereby the food, the fuel, and, as the sign says, the accommodation can be built off our highways.

Granted the same oil companies would still have a big say, because they determine the location of stations. But nonetheless they would be competing across the road from each other and this is a big difference than competing 45 or 55 miles down the highway. It would also be a significant departure because once you are off the highway there are other competing places as well, if you want to go a little bit further. You are talking about a mile or two perhaps instead of those 45 miles.

Mr. Speaker, I don't fault the ministry, when it was the Ministry of Highways, for introducing the leasehold on Highway 401. I think in some regard they were influenced by the fact that the two leaseholds on High-

way 400 at that time were working, and working much better than what has since been the result on Highway 401. But just because something was entered into a few years ago does not mean that we cannot terminate it. It might cost us funds and in fact it would cost us funds, but I suggest those funds would be very wisely spent. If we have a tourist budget and all we can offer as a first impression and perhaps a last impression of this province are the service centres on Highway 401, then I suggest we are undercutting our whole tourist programme.

Mr. Speaker, I haven't asked that the programme and the leaseholds be terminated. I have asked that they be reviewed. There may be steps that the ministry can take in a new policy that would make the service centre really operate—where the key word was service, where you would have to pay a dollar, but in return you would get your dollar's worth.

I suggest to you, Mr. Speaker, that unless and until the ministry officials move in, not only the tourist but the person who uses that road for the purpose for which it was built, which was to facilitate industry and business in this province, is being very badly victimized by a system that apparently cannot work—and apparently no one cares to see if improvements or changes can be made to see that it does become a service and convenience to the motorist.

Mr. J. P. Spence (Kent): Mr. Speaker, it is a pleasure for me to take part in this debate on the resolution of the hon. member for Scarborough Centre. I find it very interesting that a government member would raise a question of reviewing the government policy of granting exclusive licences for the sale of gasoline products and the maintenance of restaurant facilities on Ontario's controlled access interurban highways. Had the government listened to the members of the opposition back in 1962, they would not have initiated their present policy in the first place. At that time, as today, we frequently had the occasion to express our grave concern about the government's lack of planning.

First of all, they said no outlets would be permitted on these expressways in the Province of Ontario.

Mr. R. Gisborn (Hamilton East): Let the member tell him; we told the government what he said years ago. They were wrong then and they are wrong now.

Mr. Drea: No, but they listened.

Mr. D. A. Paterson (Essex South): Is the member for Scarborough Centre going to be Minister of Labour?

Mr. Spence: This led a number of businessmen to establish service facilities at what is known as strategic points of access to this expressway. Later the government announced its decision to purchase the right of way to permit the installation of service outlets—outlets actually on the main road.

Whether the government did, in fact, change its point of view on this question at that time, or whether the right of way was planned from the outset and this was concealed by the government for reasons of its own, is still a debatable point in the minds of many. The fact remains that a number of taxpayers invested considerable money in establishing service stations off the main highways, which were doomed to failure once the service outlets were permitted on the right of way. However, we could hardly expect the government to be concerned about the taxpayers' money, unless there is a possibility of the government finding a method of spending more of it.

The then Minister of Highways stalled, as usual, when the opposition asked if tenders had been called for service stations, either by invitation to the general public or general advertising, or whether a selective group of people had been invited to tender. My hon. friend from Downsview at that time asked if tenders had been limited to oil companies or whether the individual would be successful if he made an application. When pressed by the opposition at that time, the minister finally admitted that public tenders had not been called for. In fact, only major oil companies had been given the opportunity. He did have the grace to admit that this had perhaps been an error of judgement —"perhaps," he said at that time—but made the excuse that the government hoped in this way to obtain the best possible service facilities to the travelling public that used these expressways. However, I might say, I can remember delegations coming and protesting these service centres being located in different areas along the expressway.

We proposed at that time the idea of the government giving consideration to building these service centres and leasing them on an open competitive bidding basis, but the minister could see no advantage in using public funds for this purpose when private enterprise was prepared to build and operate these

facilities. The government acknowledged it had no control over prices to be charged at these service stations, expressing the opinion that the oil companies are responsible people in business in a big way in this province.

There is no question that the oil companies are in business in a big way in this province and certainly they are responsible—responsible for making a profit; responsible to their shareholders; responsible to their boards of directors. The government is responsible, too—responsible to the taxpayers of Ontario because, in a way, every taxpayer in this province is a shareholder in this government. I would like to think that the government takes its responsibility for its shareholders as seriously as the oil companies take their responsibilities for their shareholders.

As to the Minister of Highways not wishing to utilize public funds, in providing the lighting at these service stations and in paying for the paving of the approaches to these service centres—the government owns the land on which the service centre is located—indirectly the taxpayers of this province are helping to subsidize very profitable operations for the oil companies, which could hardly be regarded as eligible for public assistance.

Mr. Speaker, when the estimates of the Ministry of Transportation and Communications were before the committee at the last session, we asked the minister what was the revenue derived by the government from all these service centres on our expressways. He informed us the government would receive $2.5 million last year, which is a lot of money for the government.

However, I might say that the travelling public's view is changing today in regard to vacationing. We know that the vacationer is tenting. He uses a camper; he uses a trailer and he has different ideas. I go right along with the member for Scarborough Centre on reviewing the leases of the gas companies, because I think times change and the government must change with the times. I agree with the member for Scarborough Centre. I think the government should review these leases because I think some changes could be made.

In the past 10 years or so, it has become very obvious that these service outlets on our highways are very well patronized and are very profitable, I would think, for the oil companies. Some travellers have expressed the opinion that the restaurant facilities are quite expensive and I am particularly concerned that the quality of the food and beverages sold leaves a great deal to be desired in some instances.

These service outlets attract not only Canadian travellers but tourists visiting this country, particularly from the United States, and it is important that the operation of these facilities is of the highest possible standard. I am aware, of course, that certain basic standards of safety and hygiene have to be observed by law. Something more than this is necessary when one considers that these service outlets are frequently the only facility available to travellers on our expressways across the Province of Ontario.

Mr. Speaker, the Minister of Industry and Tourism (Mr. Bennett) spends considerable money each year encouraging people to visit Ontario. It seems very foolish to allow visitors to think that the food and services offered in parts of Ontario at these service centres are expensive and inferior, simply because the government does not exercise more control over the service outlets and adjacent restaurant facilities. There is another reason why I say these leases should be reviewed. I think about two years ago the food industry in this province was going through difficult financial times. I brought it to the attention of the Minister of Agriculture and Food (Mr. Stewart) and asked him to look into the possibilities to see if fruit stands could be located at these service centres across the Province of Ontario.

Mr. Paterson: A good idea.

Mr. Spence: This would not only be of benefit to the travelling public, but it would be of great benefit to the fruit growers across the province.

Mr. Speaker: I must say the hon. member's time has now been completed.

Mr. Spence: I'm sorry. I would just close by saying I think the whole question of licensing the service outlets should be reviewed without delay. For this reason I would like to express my support for the resolution put forward by the hon. member for Scarborough Centre.

Mr. Speaker: The hon. member for Windsor West.

Mr. E. J. Bounsall (Windsor West): Thank you Mr. Speaker. I listened with interest to the remarks of the mover of the resolution in order to see behind the resolution as written what his detailed thinking was. Certainly an uncomplicated, surface glance at the resolution on the order paper is one that we over here could support.

We could support it from the aspect of the exclusive licences section in it, because

we are against monopolies of any kind. Exclusive licences are one form of it. We are against monopolies in all other areas, including the food area. Here there are the supermarket areas, and the large companies such as Kraft cornering or almost cornering large sections of particular food products, and so on. So because we are unhappy with exclusive licences, long-term as they are, in context of the way the resolution is written, we could support the resolution.

We certainly are suspicious, as I'm sure the general public are, with exclusive contracts and how they are arrived at and so on. The situation as it exists on Highway 401—I'm very familiar with the Windsor to Toronto stretch of 401—is very unfortunate in at least two aspects.

One is that the government having set up this type of arrangement the public should be able to expect service at these service centres, be it oil products, mechanical repairs or food. I am sure we have all experienced—at least those of us who have travelled 401 to any degree—developing some car trouble, going into one of these service centres and finding that our car will have to be towed to the nearest town in order that 15 minutes of mechanical work can be done on it. This was all because there was no pretence even of providing a mechanic at these so-called service centres in the car repair area.

If you wanted to buy a whole range of gasoline or car-related products they were there. But mechanical service was absolutely non-existent.

I can give you two instances. Both, I must admit, were after 7 o'clock at night, and maybe there is a cutoff time for service—but there shouldn't be. Both instances occurred in well-travelled seasons of the year and there was no licensed mechanic or anybody experienced much beyond putting the gas in your tank at service centres between Windsor and Toronto. Both cases resulted in having to be towed to the nearest town for what turned out to be rather uncomplicated adjustments. But they were ones which I wasn't capable of making myself, nor was there anyone there who would even look at it to attempt to do it. That's the kind of service, or lack of it, which should not be allowed to occur on these exclusive premises. It was a decision on the part of the government to have them there.

In the area of food, having travelled the Windsor to Toronto route very often I know at which overpasses to turn off to attend restaurants which I have found to be of decent quality with a large range on the menu. I am particularly disturbed—not so much because of some of the individual items on the service centre menu, some of which are very good—but because of the limitations of the menu. Again, not all of the service centre restaurant facilities have converted to self-service, although most have done so that I have encountered. When they convert to self-service, their menus become contracted. And it is almost an unappetizing experience to walk into the self-serve food centres that have grown up.

I am not sure what our policy should be at this point. The member for Scarborough Centre came close—I am not sure whether he did or not do so completely—but he came close to saying we should abandon the whole policy of these restaurants and remove them from the highways. Perhaps we are a little late to do that now. The mistake was made in the very beginning in allowing it.

However, looking at the situation, I rather fear what could grow up, which is four service stations at each turn-off. That to me is less aesthetically pleasing, certainly, than the service centres we have on the highway, which for all their lack of service in a mechanical or food line, at least are rather presentable looking.

Many of them it seems, have gone out of their way—I don't know whether it is a Transportation regulation or not—to provide picnic areas at which anyone can pull in and eat his entire lunch or dinner should he have it with him. Is that a regulation? That's a requirement. I am glad to see, at least, that requirement is stipulated.

I certainly agree with the member for Scarborough Centre that if these service centres are allowed to continue, there should be much tighter regulations and higher standards which they are required to live up to. I was quite intrigued by the comment of the member for Scarborough Centre, in reading from the regulations, that every improvement on the menu has to be approved by the minister. I would think it should read the reverse, to the effect that there should be very high standards and anything dropped from the menu must be approved by the minister.

I can see restaurant operators worrying about the bureaucracy involved in adding to or upgrading something in the menus of their restaurants. But certainly it should be the reverse situation with worry and concern when something is dropped from their menus.

Mr. Speaker, I don't like the idea of these exclusive licences. I regret that we got into them in the first place. If they are to be continued I would hope that they would be of short term and not be of 25 years duration for either the service stations or the restaurants, and that they all be tendered, in fact, separately for a period of no more than perhaps three to five years. Certainly suggestions that other products be added to these sites, such as fruit stands in the appropriate season, provided they were again kept in good repair and appearance, would be an advantage.

Mr. Speaker: The hon. member for Durham.

Mr. A. Carruthers (Durham): Mr. Speaker, I am pleased to share in this discussion, and in reading the resolution of the member for Scarborough Centre, I do not find it too difficult for any one to support a review by the Ministry of Transportation and Communications of its present policy and, no doubt, this policy is being reviewed at all times.

I think before we can really pass judgement on the present policy or ask for a special review, we should understand the present policy and the reason for its adoption. Under the present policy, of course, the government chooses the sites, and I think wisely so, Mr. Speaker, because this protects the local municipalities. I have two on-highway centres in my riding and four off-highway centres on the same Highway 401, but none of them really interfere with local service stations in the towns. In Bowmanville they are located fairly close, but the Flying Dutchman outlet has always been providing this service so the competition is keen but not too severe.

On the other hand, I do know that if you allowed service centres at every intersection you could make it very difficult for operators to do business economically. I think we have to protect these people from themselves to a degree. I have had a number of requests from private individuals to get into this field but, Mr. Speaker, it involves a capital outlay of between $3 and $4 million, and I don't know how many individuals are in a position to invest that amount of risk capital in that type of a venture. That is one of the reasons, I believe, behind the ministry's policy of inviting tenders for these centres. I think these centres were established—perhaps there was a change of policy—but I think they were established as a result of public demand.

I am just back from a 6,500-mile tour of the western part of the United States and the central states, and I have never found any centres that can compare with the service centres on Highway 401. I think we should be very proud of the service we are providing. Certainly it may not be up to the highest of standards, but on Highway 80 west from Chicago right through to the west coast you have to get well off the highway before you can find suitable restaurant facilities.

The government in choosing the sites must ensure that there are good sewage and water facilities available and this requires a great deal of research. Certainly regardless of who chooses that site there are going to have to be controls. The oil company or whoever undertakes the construction of one of these centres is responsible for all the construction. They are responsible for all the services and subject to government inspection and government control and I think that is good. We have to maintain our standards and I think that those centres, two of them in my own riding, set the standard for the other outlets at various other intersections.

These facilities are leased on a 25-year basis. I think it should be noted, Mr. Speaker, and it wasn't pointed out before, that after the 25-year lease term is up these facilities become the property of the ministry or the government of the Province of Ontario. In that respect, as was pointed out by the member for Kent, the public is protected to a major degree.

The site having been chosen, the present policy is to invite tenders from the major oil companies because these are the people who, apparently up to this time, have the capital and are particularly interested in the field. They sublet the restaurant facilities to private operators. They are tendered on a percentage basis, with the government getting a percentage of the revenue. The highest tender on a percentage basis—which is going to provide the greatest revenue to the government—will no doubt get favourable consideration. That seems to be a sound policy to follow.

As I stated before the capital investment is between $3 and $4 million. Regardless of who operates these facilities, certainly they are going to have to be inspected and kept under government control at all times. No doubt the present policy adopted is due in no small part to the fact of inviting tenders. These are the only people who are in a position to invest that amount of capital. I would certainly, in any review of the present policy, suggest that some of the larger motel

owners—say Holiday Inn, Howard Johnson, I'm just talking off the top of my head now —these people might also be interested in providing tenders. We might go as far as opening it up wide to the public, although I don't know that the response from the general public would be very great. No doubt the thinking of the ministry from the time of the inception of this policy has been that it's practical to invite tenders from those in the best position to provide capital.

I agree with the member for Scarborough Centre that perhaps the time is opportune for a review of the policy. As far as food is concerned—and the member pointed this out—40 cents out of every dollar of the total revenue of each of these restaurants must be represented in food content. While he says this representation is fairly high, they still appear to be able to operate economically and make a profit. On that percentage basis, the food standards should be very high.

If we open the tenders to the general public those tenders are going to have to be examined carefully by some government body. Otherwise, we could have a great number of failures. I am of the firm opinion, that while the present policy appears to be adequate—certainly it's always open for review—but in order to ensure financial responsibility and that experience and ability to operate these centres is available and in order to provide a high standard of service, government must play an important role in the operation of these outlets.

Mr. Speaker: The hon. member for Essex-Kent.

Mr. R. F. Ruston (Essex-Kent): Mr. Speaker, I have a few brief remarks to make with regard to this resolution. In the last year's estimates of the Ministry of Transportation and Communications we did discuss some matters with regard to service centres at that time.

I will not repeat that discussion at this time, Mr. Speaker. I am interested in the subject. And, of course, travelling a lot on Highway 401, I have had occasion when I've had to use the services of these centres. I did hear someone a few minutes ago mention that the service work done on a car was not too good. I've had only a couple of occasions when I've had to have tires and water hose replaced and had it done efficiently and I didn't have any particular complaint about that. I would question whether you could have a licensed mechanic on duty 24 hours a day and whether the cost would merit it. I'm not sure—maybe there would be some objection to the number of garages in any particular area. I would question whether that would be a good idea.

What I am concerned about is that we have service centres varying from 40 to 50 miles apart. Of course, in a number of other areas you'll see signs for food and accommodation and so forth. One day I got a letter from the ministry with regard to having a food and fuel sign in one of the towns in my area. The guidelines the ministry used for it read like this:

> Our accommodations, food and fuel sign is erected when accommodations, and at least one of the other two services, are available in sufficient quantities, and the legend "accommodations" is used where there are two or more enterprises offering overnight accommodations and where there are at least a total of 12 units available.

And also gas must be available. So those signs are restricted to services of that type.

What I am concerned about is that I've had people say—and one person in particular told me he was stopped on Highway 401 for 1½ hours and couldn't get anybody to stop. He stood beside his car for that length of time. Now, I've noticed in the US, in the State of Michigan, that in between cut offs, gas stations, and so forth, they have what they call rest centres. I would think that we should have rest centres in between the present service centres. And I would class a rest centre as a place where you can drive in, get a drink of water, which has washroom facilities, perhaps a picnic table and a place to park your car. I noticed in Michigan a number of truckers would stop in there and maybe have a snooze for an hour or so. I was only in Michigan during the summer months when I stopped at some of these centres. I assume they are only open probably from May 1 to Oct. 1. They also have a telephone, so I think that would be an added service we could give to the travelling public.

It is pretty frustrating to be out on 401 when cars are going by you at 75 miles an hour, and no one wants to stop, to know just what to do. If you can have some other facilities a little closer together, even if there is only a telephone available, or something like that, or where somebody else might be stopped resting, you could get some assistance.

I think that is something we should be looking at, rather than having everything all at the one place, like now where the

campgrounds and everything are all with the service centre. I would think that a campground should be built in between each service centre, so you wouldn't have much more than 20 or 25 miles to go between each point in case you had some need to stop.

As far as food quality goes, I believe there is room for improvement in some of the centres, although coming in today I stopped—and I suppose it depends on what is on the menu, but I got a bowl of soup, a piece of pie and a cup of coffee, and it was $1.25, which would seem to me about the going rate of charge. And I might say it was very tasty.

Of course, at this time of the year, when there is more business, the centre is much more likely to have fresh supplies, so naturally the food is better. The problem is in the wintertime, about January, when there is only the odd car stopping. Maybe on the midnight shift I would think—and I have never run a restaurant—but it seems to me you would have to use frozen food and such things as that in order to be able to supply a meal. I don't think you could keep fresh food. There is a disadvantage, when you have 24-hour service the year around, in operating these.

But what bothers me some is what perhaps we should have done in the first place. The government should have built the buildings and leased them out on a five-year basis, and then if we found that the lessees were not doing a good job, we could then cancel their lease and get someone else in. That is the advantage in owning it yourself. It would have meant some capital outlay, but I don't know, when we have the highway there, it seems to me that we could have afforded to put in the buildings and provided the facilities, and then leased them out or rented them out.

I might say on these points that I have been discussing locating half-way between service centres, rest centres, these might be the ideal places for vegetable and fruit stands to be put in. It wouldn't interfere then with the general business of the other centres.

In order to allow some other member to speak, Mr. Speaker, I will withdraw now.

Mr. Speaker: The hon. member for Yorkview.

Mr. F. Young (Yorkview): Mr. Speaker, I too feel that the resolution is drawn in such a way that it is like motherhood, everyone is in favour of it. Certainly in a review of any policy anywhere there is always good and I think all of us agree that any government policy or any policy of any private company or anything of this nature would, or should, come in for periodic review. So that we are not going to quarrel, any of us I think, with the general attitude that that review should take place.

I would like to say this: In the travelling that I have done, and I used to do much more than I do now, I have found these centres along the highway a very great convenience. I think the second last member who spoke also expressed that fact. I think this is something which we ought to emphasize, even though we criticize some aspects of the operations. I think we have to recognize that it was good, sensible policy to put the service complexes along the highway where people could simply pull off and get the kind of servicing, for motor car and for themselves, that they desire. That part of it I think is good—that whole situation.

Perhaps the whole idea of getting the ideas of what each oil company might do, then in a sense, giving the highest bidder, the contract for building and operating these centres for a period of 25 years, was where we made a fundamental error. We were building highways and spending many millions of dollars per mile on these highways, and it seems to me there is no reason why we shouldn't have had the foresight to incorporate these centres as a fundamental part of that highway. It just meant that instead of building 100 miles of highway, we were building 102 or 103 miles of highway, in terms of cost. Then our own department could have operated these service centres, and seen to it that provincial standards were maintained.

As far as winter service is concerned, I have had some quarrel with some of the centres—but not all. One doesn't expect the same kind of food service in the wintertime, although perhaps it should be quicker than in the summer, when there are great crowds coming and food can be bought in larger quantities and disposed of more quickly.

However, it seems to me that something might be done here in the way of signing at these service centres, simply telling people that the service is limited during the winter months, and if they want full hotel accommodation and meals in fancy restaurants, they simply drive on three or four miles and turn west or east, whatever it may be, off a certain highway to a small town and they will find hotel facilities there.

But I have also found that even the smaller hotels, the kind you find in the great many

of the smaller towns, don't have the winter service that they have in the summer, because they don't have the same crowds coming through. This is not an easy answer to give. But the answer suggested by the hon. member who introduced the resolution, to perhaps do away with these and locate the service centres at the cloverleaf and to let private enterprise take them over entirely, seems to me to be a fallacy. Because I have not found that the service in those particular types of restaurants or service stations in the United States was at all superior to our own.

More than that, if we are going to locate two or three of these at a cloverleaf, then, in the wintertime particularly, the small number of customers will be divided two and three ways and the service probably will be at a lower level of efficiency than if all the customers had to come through the one gate and through the one service centre.

Mr. Speaker, it seems to me that the province itself can do a great deal in the future, as leases run out and as these come back into the property of the province, to do the kinds of things which some of us have outlined by the province itself taking over the operation of the facilities which are there and which will be in the public domain. More than that, as we plan new ones, I think we should integrate them into the Ministry of Transportation and Communications and make them part of the highways run by that ministry. I believe that the Ministry of Transportation and Communications, in spite of all the propaganda, can do an efficient job in its own field and in this field too.

Mr. Speaker: The private members' hour is now concluded.

Clerk of the House: Second order, House in committee of the whole.

LAND SPECULATION TAX ACT
(continued)

House in committee on Bill 25, An Act to impose a Tax on Land in respect of certain speculative Transactions affecting the Control or Ownership of Land.

It being 6 o'clock, p.m., the House took recess.

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No. 60



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Evening Session

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Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, MAY 27, 1974

The House resumed at 8 o'clock p.m.

LAND SPECULATION TAX ACT
(continued)

Mr. M. Shulman (High Park): There's no quorum, Mr. Chairman.

Mr. Chairman ordered that the bells be rung for four minutes.

Mr. Shulman: There is no quorum.

Mr. Chairman: We don't need you here to say so.

Clerk of the House: There are 18 members present, Mr. Chairman.

Mr. D. J. Wiseman (Lanark): There are 19.

Mr. Chairman: According to the rules of the House then, I shall rise and report.

Mr. R. F. Nixon (Leader of the Opposition): I know a whip who is going to lose his job.

Hon. L. Bernier (Minister of Natural Resources): The member for High Park should get the smile off his face.

Mr. Chairman: Will the member take his seat?

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports no quorum.

Mr. Speaker: The committee of the whole House reports no quorum and asks the clerk to take the count.

Clerk of the House: Mr. Speaker, there is a quorum present.

Mr. Speaker: Mr. Chairman, now there's a quorum we will go back into committee of the whole House.

Mr. Shulman: Doesn't there have to be a motion from the government?

Mr. Speaker: Yes.

Hon. W. A. Stewart (Minister of Agriculture and Food): I so move Mr. Speaker.

Mr. Chairman: According to the orders as printed, this is the procedure without any motion. We are in business and we are dealing with section 5, subsection 2. The member for High Park.

An hon. member: Tell them they can come in.

Interjections by hon. members.

Mr. L. Maeck (Parry Sound): Funny thing that the member for High Park doesn't realize there is work going on besides in this House.

Mr. Chairman: Shall this section stand as part of the bill?

Mr. Shulman: No.

Mr. B. Gilbertson (Algoma): There are two committees sitting besides the House.

Mr. Maeck: He should use a little consideration.

Mr. Shulman: I would like to ask the minister about the word "after" in line 6. It is my understanding, Mr. Chairman, that what this means is, if I wish to sell a property and I am selling it to the member for Downsview (Mr. Singer)—again we are still working on our transaction, it hasn't gone through yet—and I wish to avoid paying the tax, I will go to your department and get a certificate saying the tax is payable. I will then proceed to sell the land but the problem is, the way this is worded, I presume this is the only error in the bill—it's the only one I have noticed so far tonight—the way it's worded, as soon as I have received the certificate and go to the member to consumate the deal, the certificate becomes no good because it says here: "The giving of the certificate does not destroy the special lien for tax resulting from any disposition of designated land occurring after the date as of which the certificate is given."

Now since obviously the sale is not going to go through at the same time I receive

the certificate, what you are saying in effect is: I must get the certificate after the sale goes through but I must also get the certificate before the sale goes through. Can you explain that to me, Mr. Chairman, how it is physically possible to sort of move in both directions at the same time?

Hon. A. K. Meen (Minister of Revenue): Mr. Chairman, I suppose it is possible to give an explanation. The one thing I can't give the hon. member is comprehension. I would have to leave that up to him. I would just suggest that if he would read the words "after the date as of which the certificate is given," he might realize that that relates to a date presumably established by evidence filed with the ministry for a date of closing of a particular transaction.

This is where the solicitor for the vendor contacts the ministry and says: "Look, June 15, next, I will be completing a sale on such and such a piece of property; here's a copy of the agreement of purchase and sale and here's the sale price. Now, would you kindly advise as to the amount of tax that is exigible so that I can make arrangements for payment of that tax. Or, if no tax is payable, let me have a release of that lien."

So, the ministry issues the certificate releasing the lien as of the date of June 15, let's say, if that were the date established for closing. Now, this is May 27, and the certificate would be in the hands of the prudent solicitor acting for the vendor so that he can deliver it to the solicitor acting for the purchaser on the completion of that transaction on or before June 15, to use my illustration.

Any problem? None whatever. That is precisely what the words "as of which the certificate is given," are really intended to mean.

Mr. Shulman: I am delighted that's what they are intended to mean; it is a pity that is not what they say.

I will try to take the minister's wisdom and try to comprehend his complicated explanation and the explanation sounds lovely. It is a pity it isn't written into the bill. The lawyers with whom I have had the pleasure of discussing this section say: "It is very obvious what he means, but isn't it a pity he didn't write it properly, because what the section says is not what the minister has just said." What the section says—and let me read it so that the minister can comprehend; I will read it very slowly— is:

> The giving of the certificate does not destroy the special lien for tax resulting from any disposition of designated land occurring after the date as of which the certificate is given.

I know what the minister means; I do comprehend what he means.

Hon. Mr. Meen: I expect the member does.

Mr. Shulman: I wonder if a judge will know what he means, because unfortunately a judge who will have to decide on it may not have been sitting here in the balcony hearing the minister's kind words and perhaps the minister won't be there as a witness to explain. Perhaps it is unreasonable of me to ask the minister to make it sufficiently simple that lawyers can understand what he meant to say. Perhaps he could reword it just the way he just worded it now, so that the date that is referred to is not the date on which it is given—because that is what it says—the date as of which—

Hon. Mr. Meen: It does not. It says, "as of which."

Mr. Shulman: "As of which the certificate is given." Now, you are going to have to be a Philadelphia lawyer to persuade anybody that that's not going to mean the date "as of which the certificate is given;" because those are the very words the minister is using.

The minister may shake his head in comprehension or incomprehension—and I'm not sure which of us is not comprehending the other; although I suspect it is mutual. I suggest to the minister that really, in effect, this section can be used if one uses plain English to mean what plain English supposedly means. I wish the minister would pass it to one or two of his confrères that are here and ask them what they think it means. It is fairly obvious to anyone who, perhaps, isn't aware of the minister's thinking that the certificate must be used as of the date it is issued. In other words, what you will have to do is complete the transaction the same day.

I know the minister, as with all the other sections which he has drawn up so well, is not going to accept any suggestions from this side to try and remedy his errors; but I want this one on the record, too, because they are all going to come back to haunt him. And let this one be one more where just through rushed and inept wording and a refusal to change it and make it simple—to us simple people—he is going to have troubles later on.

Mr. Chairman: The member for Sandwich-Riverside.

Mr. F. A. Burr (Sandwich-Riverside): Mr. Chairman, I've been trying to follow these two-letter words, "as" and "of." Did I understand the minister to say "as of" means "on or before"?

Hon. Mr. Meen: Yes, Mr. Chairman.

Mr. Burr: Why not say so?

Hon. Mr. Meen: The section says "a transaction resulting after the date as of which the certificate is given"; it would mean that if a certificate is given releasing a lien as of, say, the middle of June, the transaction could be completed between now and the end of June between the parties whose interests are shown on that certificate—one has to emphasize that, too—without the attraction of any tax because either the tax has been paid or there is no tax exigible or security for tax has been given.

Mr. Burr: I understood that when you said, "Yes. On or before," but then you confused me. Why not say "on or before"? Is that not legal terminology?

Hon. Mr. Meen: It just happens that "as of the date for which the certificate is given" means the same thing.

Mr. Burr: I might say, "As of now I shall no longer drink coffee." That means from now on.

Hon. Mr. Meen: That's right, because you used the word "now."

Mr. Burr: "As of."

Hon. Mr. Meen: All right. As of June 15, I will drink no more coffee. What does that mean?

Mr. Burr: From now on. It doesn't mean "on or before." It does not mean "on or before now."

Mr. D. H. Morrow (Ottawa West): That is June 15 or thereafter.

Mr. V. M. Singer (Downsview): You don't solve legal problems by waving your hand. Mr. Chairman, I don't follow the minister at all. I would like to hear him explain away Mr. Stephenson's comments to the 1,500 members of the Canadian Bar Association. I would also like to hear him explain away the argument I advanced relating to the Ministry of Revenue Act.

I have read that thing through again. I see now section 6—which I didn't mention before because I ran out of time at 5 o'clock—as: "There shall be appointed, pursuant to the Public Service Act, such other officers, clerks and servants as the minister considers necessary for the proper conduct of the business of the department."

I've looked in the Ministry of Revenue Act and I've looked in the Public Service Act and I don't see anything defining "officers." But what puzzles me more than anything else is how you can have retroactive statutes that will retroactively affect other statutes which are not retroactive. I'd like you to explain that to me because certainly there's nothing in the Ministry of Revenue Act which gives it any retroactive effect.

In the absence of an opinion from the law officers of the Crown saying that this unusual section 23 gives a retroactive effect to this statute and equally applies to the Ministry of Revenue Act and equally applies to the Public Service Act, I don't think it follows at all because the courts look askance at any statute which purports to have retroactive effect. Unless the language is clearly and distinctly spelled out there are many court decisions which say they will not give a retroactive effect to such a statute.

I would like to know—

Hon. Mr. Meen: Unless it's spelled out.

Mr. Singer: It is not spelled out. How can you spell out, in section 23, a retroactive effect on the Ministry of Revenue Act which isn't even referred to? How can you do that?

Hon. Mr. Meen: Would the member like to resume his seat?

Mr. Singer: Just sit down and you can answer me in due course.

Hon. Mr. Meen: Okay.

Mr. Singer: How can you purport to do it without the most positive opinion from the law officers of the Crown? There is nothing in the Ministry of Revenue Act which says it can be retroactively applied. There is nothing in the Public Service Act which says it can be retroactively applied. You take section 23 and read it and show me some reference in there, either to the Ministry of Revenue Act or to the Public Service Act which says you can take section 23 and apply it to either of those statutes. You can't. I don't know what kind of law this minister is trying to enact in this province.

Hon. Mr. Meen: Why don't you save your arguments for when we get to section 23?

Mr. Singer: If you want this statute which we're debating now to apply to the Ministry of Revenue Act retroactively surely you've got to say so and you don't say so. If you want it to apply to the Public Service Act surely you've got to say so and you don't say so.

Tell me who the officers are. How many officers do you have? Have you appointed them? Have you got a list of them? How many people can sign those certificates? Are they officers? What is an officer? If I wanted to challenge any kind—now, don't shake your head at those fellows. They're no help to you. They got you into this jam. Have you got an opinion there from the law officers of the Crown?

Are you going to be able to tell me how you can retroactively affect a statute that has no retroactive provisions in it without even mentioning it, and in a taxing statute above and beyond that? It just doesn't make sense. This minister comes in here, without even a basic knowledge of the law, with a taxing statute, and tries to attribute the most unusual, inept, illogical kinds of interpretation that the courts have never allowed.

I would agree, Mr. Chairman, that the Legislature can enact retroactive legislation. But, the law is abundantly clear that if there is going to be retroactive legislation, then that legislation has to be clearly spelled out so it's meaning can be understood and so that there can be no doubt in anybody's mind.

Now, can the minister tell me what kind of legerdemain he is about to use to say that a retroactive section in a statute called An Act to impose a Tax on Land in respect of certain speculative Transactions affecting the Control or Ownership of Land can equally affect the statute called the Ministry of Revenue Act, and can equally affect a statute called the Public Service Act? Neither one of these is mentioned in this statute that is before the House, and neither one of these allows the minister to take any action retroactively. How can he do it? It just doesn't make sense.

Mr. J. E. Bullbrook (Sarnia): Are you going to answer the questions?

Hon. Mr. Meen: Sure, I will be happy to. I was starting to do so a few minutes ago.

Mr. Bullbrook: You don't sound too happy about it.

Hon. Mr. Meen: I certainly must confess to some irritation at listening to this kind of argument. The hon. member for Downsview knows perfectly well that there is the same capacity in this Legislature to enact the Land Speculation Tax Act as there was in this Legislature to enact the Ministry of Revenue Act. There are provisions in the Ministry of Revenue Act for retroactivity. We have provisions in this Act for retroactivity in certain sections.

Mr. Singer: Where are the provisions in the Ministry of Revenue Act for retroactivity? Show them to me.

Hon. Mr. Meen: There is no problem whatever in this legislation, and when we get to that section we can deal with it. Section 23—

Mr. Singer: Oh no, deal with it now.

Hon. Mr. Meen: And I don't propose to deal with it—

Mr. Singer: Of course you don't because you can't.

Hon. Mr. Meen: When we get to section 23 which deals with retroactivity in subsection (g) and subsection 3 of section 22, it states, "A regulation, if it so provides, may be effective with reference to a period before it was filed." That is just precisely the kind of authority we are talking about.

Mr. Singer: Nonsense.

Hon. Mr. Meen: There is no doubt in my mind that there is that capacity.

Mr. Singer: Well, you are not a very good lawyer.

Hon. Mr. Meen: Mr. Stephenson, when he was talking about the certificates that have been signed up until now and saying that he questioned their validity, is technically correct when he says that, because we don't have an Act that is passed—

Mr. Singer: Of course you don't.

Hon. Mr. Meen: —under which those certificates are signed. Those certificates will be validated by a regulation under 22(2)(g) of the Act—

Mr. Singer: Ah, baloney.

Hon. Mr. Meen: —authorizing a regulation to be passed, which authorizes a designated officer or class of officers empowered by the government of Ontario to exercise powers or perform the duties of the ministers under this Act. By regulation under 22(2)(g) of this Act —not of the Ministry of Revenue Act—those

officers, who number between 35 and 40 in my ministry and who are signing these releases on my behalf, will be authorized, and those certificates will be confirmed.

Now, it is obvious that at this stage one can't authorize them to do this. We don't have an Act yet, thanks to the opposition and the filibustering from over there.

Mr. Singer: Oh no, thanks to your ineptness. Thanks to your absolute ineptness. Worst statute that has ever been brought before the Legislature.

Hon. Mr. Meen: Now, I would suggest that when we have the Act into law and can pass the regulation, then we will be able to—

Hon. Mr. Stewart: You said that about other legislation which is now good law today.

Hon. Mr. Meen: We will be able to fully ratify the certificates that have been issued under that section.

Mr. Chairman: The member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): Mr. Chairman, if the hon. minister, among his boyhood remembrances, had read Pilgrim's Progress, he would know about the revisitation of the Slough of Despond, in which we all exist in the course of this particular legislation.

I am now getting numerous calls, Mr. Chairman, with respect to certificates, believe it or not, Mr. Chairman. They seek to get the certificates. What has happened in terms of the letter that was before us earlier today is a very widespread phenomenon indeed in the whole area.

What I would like the minister to do for me—I know you've done it tentatively and in outline in the brochures you sent out to the legal profession—but I really would like to know, and for you to go into some detail in telling me, what the procedures really are. When they phone me and ask, I say, "Go over to 77 Grenville St. and see what you can do." But I don't know really what they can do—what the score on the thing is. They tell me that the bill isn't available, that they can't get copies of it. I know I've sought, due to numerous requests, to obtain copies of this bill to send to various friends of mine in the legal profession so they may peruse it on their own hook and make of it what they will. That's their problem. I can't get them. You said earlier in the day if we could get this thing over with you'd get some printed.

Hon. Mr. Meen: That's right.

Mr. Lawlor: Is the printing problem so grave at the moment that we can't even get adequate copies of the legislation that we're seeking to deal with, so that we may get some intelligent input? At the moment the thing is total confusion.

What I'm interested in, as I indicated, is the clauses in the bill having to do with certification, and particularly what I call the (b) part of that particular section. This is where you say "the giving of the certificate does not destroy the special lien tax resulting from a disposition of designated land occurring after the date, as of which the certificate was given, and (b)" —what I call (b)— "and giving of the certificate does not impair or relieve the transferor from his responsibility to pay."

I can see (b) but I'm "demd," as Mantalini in Dickens says, if I can see (a). Why do you have to put that particular clause in? I would think that the mere giving of the certificate wouldn't destroy or impair the responsibility to pay the tax. It may be paid subsequently. It may be paid by some arrangement. The certificate is given as a condition precedent to the particular payment. You can make your deal.

But that generally is what I'm after here. How do you handle these things? When one appears at Grenville St. and asks for a certificate, what is the procedure? What must be presented? On what gounds will it be given or refused? Can you give us an outline for the general delectation of the profession at this time? Maybe we can clear some ground, and not have quite so much fuss as what's taking place at the moment.

Hon. Mr. Meen: Mr. Chairman, I'm happy to try to outline what would happen. But I think one would have to recognize that in every case the circumstances may be somewhat different. The applicant appears with his documentation, presumably including a copy of the agreement of purchase and sale, establishes a date, establishes an amount and eventually establishes the amount, if any, of the tax that would be payable.

The hon. member asked. "Why not after the date as of which the certificate is given"? The certificate would be given in relationship to the anticipated closing date. Suppose one were then to say, "All right, we won't close then; we'll close six months later."

Perhaps there would be a side agreement under which they weren't going to close on that date but they were going to speculate

that there would be some additional increment in value and they didn't want to attract any tax. So they might say, "All right, we've got a certificate, but that clears this deal, it doesn't matter when we closely." Six months from now the value may be very different, and so the ministry reserves the right to say, "All right, you're talking about a closing date now. Within 30 days, the normal period of closing following the completion of an agreement of purchase and sale."

Whatever it is, you look at a particular date and you satisfy my staff that that's the value attributable to the transaction on or about that date, or on or before that date, because we are talking incremental increases, not decreases, necessarily. So you satisfy my staff that a certain amount of tax, if any, was payable as of that date, and the certificate would be issued as of that date. I don't have any difficulty with that; I don't know why some of the members opposite have indicated that they have some difficulty with that terminology.

Mr. Bullbrook: I'll tell you why.

Hon. Mr. Meen: In any event, after that date it's a whole new ball game. It may be that it's a new deal which has been made.

Mr. Lawlor: If the deal doesn't close in 24 hours—

Hon. Mr. Meen: Ah, yes.

Mr. Lawlor: —you'll have to come back.

Hon. Mr. Meen: Ah, no, you might say. Besides, what my staff are instructed to do is actually give some latitude of a week or two weeks beyond the anticipated closing date—

Mr. Singer: A week or two?

Hon. Mr. Meen: —which will look after this kind of problem.

Mr. Singer: Come on.

Mr. Shulman: That's against the law, isn't it?

Mr. Bullbrook: Has there ever been a statute like this one?

Mr. Chairman: Order please. The hon. minister has the floor.

Hon. Mr. Meen: Not at all. In the terminology of subsection 2 it is completely within the purview of this that they could set a date sometime beyond the anticipated closing. The member who has suggested that is against the laws is not a lawyer and he does not realize the meaning to be imputed to the words " as of the date for which the certificate is given." I am saying to him, and I think the member for Lakeshore at least understands this, that—

Mr. Lawlor: Don't try and inveigle me.

Hon. Mr. Meen: —gives some protection to the counsel involved in the completion of the transaction. If that date passes, they would have to come back to the ministry to obtain a new certificate based on the evidence they adduced before my staff.

Mr. Singer: Now that's just nonsense.

Mr. Chairman: Order, please. The member for Lakeshore can continue his questioning.

Mr. Lawlor: Does the application—

Mr. Singer: That's pure nonsense.

Mr. Chairman: Order, please.

Hon. Mr. Meen: It is the application.

Mr. Shulman: Even I realize that.

Mr. Lawlor: Does the certificate make reference to the specific deal presented on that occasion?

Hon. Mr. Meen: Yes, it does, Mr. Chairman.

Mr. Lawlor: How many applications have you in your ministry at the present time? How many are you processing? And arrears? Any idea?

Hon. Mr. Meen: I don't have the figures.

Mr. Bullbrook: How long are you taking? You have to have figures?

Hon. Mr. Meen: Yes, there are some which I would expect would be a couple of weeks in arrears.

Mr. Bullbrook: What do you mean by—

Mr. Chairman: Order, please.

Hon. Mr. Meen: There was quite a backlog as a result of the mail strike—

Mr. Bullbrook: You say "Order, please" and I appreciate that but I am asking a question.

Mr. Chairman: The minister has the floor.

Hon. Mr. Meen: There was a backlog as a result of the strike, Mr. Chairman, which my people have been struggling to overcome.

In addition there has been, as might be expected at this time of year, the normal increase in real estate transactions flowing through all law offices which I expect will prevail at least to the end of June. I would think there would be no significant backlog in the ministry by about the end of this week.

Mr. Bullbrook: How would you like to undertake that? Would you like to—

Hon. Mr. Meen: We were able to obtain the services of a number of law students who finished their examinations about a week or two weeks ago; I think it was just last week—roughly the middle of May. They are giving us a very substantial hand in picking up this backlog. I would think that within the next couple of weeks we will see not only the backlog cleared up but we'll see the ministry on an essentially current basis.

Mr. Bullbrook: I don't particularly care about the administration of the statute.

Mr. Chairman: The member for Sarnia.

Hon. Mr. Meen: Others have asked and that's why I was explaining.

Mr. Bullbrook: May I say to you, most respectfully through the Chair, that I don't care about the administration of the statute. One would hope the people of Ontario are properly represented in connection with the administration of the statute.

What bothers me is the very pith and substance of what the member for Lakeshore talks about. It really is exemplary, again, of the catch and grab type of attitude that this statute has. I come back into this House now and I say to my colleague, the member for York North, (Mr. W. Hodgson), that nothing has been done for the farmers of Ontario.

Hon. Mr. Meen: Come back to the subject.

Mr. Bullbrook: All right, fine. You think it isn't an important subject. I tell you it is from the point of view of equity and justice and you are going to learn that it is very important from the point of view of politics.

I want to talk about the imposed designation of (a) and (b). It doesn't cause me any concern, Mr. Chairman, when it says, "and the giving of the certificate does not impair or relieve the transferor from his responsibility to pay any tax imposed by this Act." That is general law in any event. No taxing authority is estopped on the facts that are given to it from collecting the tax if it finds that the facts are in error. That's trite law as far as the Tax Appeal Board is concerned, as far as the Exchequer Court is concerned, as far as the ministerial interpretations are concerned with the Department of Revenue—that's trite—that you are not estopped by the giving of any certificate to collect a tax where the certificate was given on facts, not properly represented or not properly understood by the taxing authority.

That's understood and I accept that. I would not want to put a burden upon the government, any government of any jurisdiction, because they gave a certificate to estop them from collecting the tax in those circumstances.

But it's the first part that causes me concern, and one would hope would cause the Minister of Consumer and Corporate Affairs some concern and the Minister of Revenue some concern, because that says: "But the giving of the certificate does not destroy the special lien for tax resulting from any disposition of designated land occurring after the date as of which the certificate is given."

Occurring after the date at which the certificate is given—now this is where the minister hangs his hat. And I say, when I talk about clutch and grab, we've talked here for—what? three weeks now—about farmers, the clutch and grab on farmers who aren't speculators; the obligation upon lawyers to collect tax when there shouldn't be an obligation. Now we are talking about what is known in the common law as a bona fide purchaser for value without notice—and I ask to be interrupted as soon as the minister says and feels that I am wrong—who traditionally under the common law, because of his position of innocence of knowledge, has been protected under the common law.

That's been understood under our system. But not so under this Act. Not so under this Act, as I read it. The minister smiles—and perhaps I'm making a manifest error, and if I am, I invite him now to rise in his place and tell me where the manifest error is.

I say to you that under the wording of this statute, a bona fide purchaser for value without notice, relying on the certificate issued, is responsible not for the payment of the tax as the transferor is, but his land is liened with respect to the tax obligation. And that's wrong. It's directly wrong.

I must be making a mistake. Obviously I am not sufficiently equipped to understand the words there and I'm now going to take my seat with the hope of rising again because, as the minister shakes his head, he conveys to me that I misinterpret that part

of the subsection. So I sit so that he can direct me properly.

Hon. Mr. Meen: I accept the member's invitation to direct him properly, as he puts it. He must recognize that in the conveyancing of real estate, it is up to the solicitor acting for the purchaser to make all necessary searches, as he does, and one of them is —one of many for example—a corporation tax clearance certificate.

Mr. Bullbrook: Right.

Hon. Mr. Meen: Now, under that certificate—we are all familiar with that one—that's been going on for years.

Mr. Bullbrook: Right.

Hon. Mr. Meen: You advise the controller of revenue, as it happens in my ministry, that you are going to be completing that purchase from the XYZ Co. and you want a corporation tax clearance certificate from him as of that date. Right?

Mr. Bullbrook: Right.

Hon. Mr. Meen: And you also may advise him that there are other corporations on the title that had title until certain dates. And you outline those and give the names of the companies and you ask for corporation tax clearance certificates on those too.

That's one of those things that doesn't appear on the title to the property per se but we, as lawyers, have always accepted those as one of the things that we did. We are charged with a form of notice by the statute, the Corporation Tax Act in that case, whether it happens to appear on the title to the real estate or not.

So there are many things we have to do as lawyers in handling a title purchase for a client.

Mr. Bullbrook: Absolutely; entirely agree, entirely agree.

Hon. Mr. Meen: All right. Now, there is significantly no difference between that situation and this, as I see it. In this case, this statute imposes a tax based on an increment in value, an increase in value from a certain date—be it April 9 or 10 or be it the date of acquisition—with certain allowances to the anticipated date of closing.

Now, if that date should pass, or the date for which the certificate is issued by my ministry should pass, then the purchaser's solicitor is in the position of having to come back to the minister and say: "All right, for whatever reason I wasn't able to complete that conveyance set out in the certificate you had for the solicitor for the vendor to deliver to me on closing." Now, we need another one updated by 15 or 30 days, or whatever, in order to give clear title as to tax. Now, there's no problem about that. There's no travesty of justice created by this, and I would suggest that the member for Sarnia is making the proverbial mountain out of a molehill.

Mr. Bullbrook: I want to ask you one question. Would you please permit me to continue for a moment? I certainly don't understand the response. I just want not to be deflected if I may by talking about the time element. Forget about the time element. Are you saying to me that the issuance of a clear certificate under the Corporation Tax Act does not negate a lien under the Corporation Tax Act? Is that what you are saying?

Now, understand what I am saying—I am asking you whether the issuance of a certificate under the Corporation Tax Act does not negate a lien. I recognize the corporation still has a responsibility to pay the tax.

I say to you directly that my understanding of the law is that the issuance of the lien does not permit the issuance of the certificate of clearance, does not permit the seizing of the land for arrears of corporation tax. That's my understanding. Would you tell me, please?

Hon. Mr. Meen: I can't quarrel with that. We are not talking about the Corporation Tax Act, but I think that certificates of clearance of the corporation tax claim are essentially the same.

Mr. Bullbrook: May I say to the minister that we now come to the nub of the thing. This is the distinction that I make and tried to make before. I don't want to waste your time, or my colleagues' time, about an argument over the issuance of a certificate and then the need for the issuance of a new certificate. I am saying this to you when you talk about the obligations of a solicitor for the purchaser. We know he has many obligations collateral to and not directly involved with the title per se. Right, you mentioned one, the corporation tax, hydro arrears in a rural municipality as far as Ontario Hydro is concerned—arrears of tax, execution, things of that nature. When he gets that certificate, my understanding of the law is that that certificate provided by the solicitor for the vendor enables the solicitor for the purchaser to certify to his client that there is not a cloud created on the title.

Obviously, I am not able to convey to you my concern here. What I am saying to you here is this, that you say under this statute that notwithstanding the issuance of the certificate, that the certificate does not stop you from still claiming a lien. Now we get back to the very point—I am sorry, help me.

Hon. Mr. Meen: Sure, after the date as of which the lien certificate was granted. If the transaction is completed on or before that date, then the lien is gone, but after that date it is no longer effective.

Mr. Bullbrook: May I say to you, if you said "on or before," rather than "on or after," I wouldn't be on my feet. How many times are you going to complete a transaction before the certificate is issued? How many times are you going to complete a transaction on the day the certificate is issued, and—

Mr. Shulman: That's what we argued before. But he has said it doesn't mean what it says.

Mr. Bullbrook: Heaven help me. I realize that you have been arguing, and I am trying to carry the argument forward. What I am saying to you, in effect, as best I can, is that this particular subsection and the wording thereof will apply to 99.9 per cent of the transactions. It will not permit a solicitor for the purchaser to rely on the certificate issued by your ministry. It just can't. And you are just inviting the same type of disaster you did before.

I sit down by saying again, if you will permit me, this catch and grab business—we agree again with the concept that we want to tax speculators, but goodness gracious, why do you put us through this type of trauma on every section and every subsection?

Not only do you put us through the trauma, but may I say this to you, Mr. Chairman, before I sit down—you now begin to dig in your heels. You dig in your heels with farmers and you dig in your heels with people who have spent their lives attempting to amass some equity as a result of the pursuit of the God-given right and endeavour, and you, for some reason, think that you are so magnificent that you can call them speculators.

Mr. Chairman: The hon. member for Sandwich-Riverside.

Mr. Burr: Is an amendment to 5(2) in order?

Mr. Chairman: Yes.

Mr. Burr moves that section 5, subsection 2, be amended by changing the words "as of" in line 6 to the words "on or before." Any comment?

Hon. Mr. Meen: Obviously, I will just observe that that wouldn't improve the situation. It would just worsen it, if anything. There's no possibility, then, that a solicitor for a vendor could possibly get a clearance certificate that was of any use when he came to sell at a subsequent date. He would have to have the certificate when he attended for the closing, and if it only applied to a completion of a transaction on or before that date, then clearly it's a useless exercise in obtaining the certificate.

Mr. Singer: Mr. Chairman, I have listened to all of this and the most significant admission by the minister was that the certificate is of no effect, and I agree with that. I agree with what was put forward. But, when you try and read subsection 2 together with subsection 3, you have to wonder about the use of a lien at all. Because if you read subsection 3, you find out that you don't really need to worry about a clearance certificate, provided there's an affidavit that the transferor attached to the registered document. Then the lien doesn't attach. So, with the shaky ground that you're on, with the impossible legal ground that you're on, what are you worrying about your lien at all for? Because to defeat the lien, you file an affidavit by the transferor under subsection 3, and the lien doesn't attach. Isn't that what subsection 3 says?

Hon. Mr. Meen: Mr. Chairman, I have already told the hon. members that in many cases there would be no question of the matter coming before my ministry at all. Because there are certain exemptions, as we debated in section 4, and if one can, by affidavit, establish to the satisfaction of the registrar that the transaction—

Mr. Singer: Not to the satisfaction of the registrar.

Hon. Mr. Meen: —falls within the exemptions of section 4, then there is no lien. No lien arises. There is no claim for tax. Ergo, there is no question of a workload within the ministry in having to handle those applications. It is only where the transferor cannot execute an affidavit that he is brought within section 4, one of its exemptions. It is only then that one is involved with a poten-

tial application of the tax and, consequently, the lien for unpaid taxes.

Mr. Singer: Surely a transferor in good faith could swear an affidavit, for instance under 4(g)2, that he had renovated or caused to be renovated at a cost of not less than 20 per cent. And he may have been wrong by 17 per cent of the 20 per cent, but in good faith he believed it was 20 per cent. So he put on his affidavit that there is no lien, and off he goes. You're going to find it awfully difficult to prosecute the transferor who swore that affidavit, particularly since he's taken his money in used $1 bills, non-serialized in sequence and run off to Switzerland, and put them in a numbered account.

Hon. Mr. Meen: Well, I don't want to be misinterpreted—

Mr. Singer: So that the whole lien procedure really is a phoney.

Mr. Lawlor: He doesn't think it's $1 bills.

Mr. Singer: Well, maybe it's $10 bills. But it's a phoney. First of all you're on illegal ground. And second of all, you make it so easy to defeat the lien procedures merely by putting an affidavit and attaching it. And the registrar is not going to sit in judgement on the efficacy of an affidavit. All the registrar is going to look for is an affidavit by the transferor that he verily believes that the designated land comes under section 4 a) or b) or c) or d) or e) or f) or g). If he does that, zoom it goes through, boom there's no lien. The next part is the transferor gets his money and off he goes. And if you ever catch up with the transferor and he's still got his money and you can find him, he's still liable for the tax, but the land is free and clear.

Mr. Lawlor: Right. This is the position the registrar is taking.

Mr. Singer: So, why don't you take out your lien section? Your lien section makes no sense, (a) because it's illegal and (b) because it's impractical. How can you expect us to support the lien section at all?

Mr. Lawlor: Not one registrar in the province is going to question a single affidavit coming forward under subsection 3 in this thing.

Mr. Bullbrook: He has no right to.

Mr. Singer: Right. He is not a policeman.

Mr. Shulman: He wouldn't have time anyway.

Mr. Lawlor: I think the word is out that they simply accept them. How could they possibly make any inquiry into them as to value? I am, nonetheless, still interested in the administration features of the bill.

Mr. Bullbrook: Because he has law students.

Mr. Singer: There are going to be designated offices, are there?

Mr. Lawlor: There is no particular problem in offers to purchase and what not that are dated before April 9, as I take it. You can get those through easily enough, like presenting the offer to purchase. It's the ones that are being set up now and the ones after April 9, closing sometime in the future, where the real problem occurs. How do your clerks, or whoever handles these things, arrive at what the fair market value was on April 9? How do they determine that, sitting in their office over there?

Mr. Shulman: The computer is going to tell them.

Hon. Mr. Meen: Could I ask the hon. member where he was this afternoon? Was he in the House?

Mr. Shulman: We never got any answer this afternoon anyway.

Hon. Mr. Meen: I outlined it in considerable detail and I suggest he look at Hansard.

Mr. Shulman: Don't look at Hansard. It is useless. It's the computer and he doesn't have the computer yet. He's going to have it next year.

Mr. Bullbrook: Just on a point of order for a moment, that type of response makes me rise on a point of order, and why the chairman permits that type of thing—

Mr. Chairman: What is the point of order?

Mr. Bullbrook: My point of order is this, why do you permit that type of response to a member who, most times, is in this House, when we recognize we have sat in this House debating this bill with as many as six government members in the House? There are three other things to be done here, and other business to be done by members, so don't you make that type of response to any member.

Mr. Lawlor: I thank you very much for that.

Mr. Bullbrook: You don't need any help, you should have said it yourself.

Mr. Lawlor: I doubt very much that Hansard will disclose what you are saying. I was here long enough this afternoon to hear the portent of the debate and the main points. I would like, nevertheless, for my own delectation and because I'm getting these numerous calls and because the legal profession is in a state of total uproar and wild about this bill—it's never seen anything like it, and what you are doing as far as the legal boys are concerned, is, they are going to be charging $150 to $200 more per deal because of the hoops that you are putting them through, so that you are making your little contribution on the legal end of the thing to the inflationary spiral in this province, the real estate. I hope you realize that. It is certainly one of the aspects there.

Mr. Shulman: He will raise the cost of housing.

Mr. Lawlor: I would, gently, like to know how they determine fair market value sitting in the office over there? I tell you this, if you don't answer, by George, you're going to get it.

Mr. Shulman: By George!

Mr. Lawlor: You can sit here six months, because we have formidable powers of cross-examination.

Mr. Singer: Whether anybody else reads Hansard or not.

Mr. Lawlor: All right then, you said that they set a certain date and you said that you were getting them a latitude. What does the certificate show with respect to your latitude? Does it show that this certificate is valid from this day henceforth one week? How does that work? What does that look like?

Mr. Singer: He has got law students coming in?

Hon. Mr. Meen: I wonder has the hon. member not seen one of the certificates?

Mr. Lawlor: I have not seen one of your certificates.

Mr. Shulman: Send a couple over.

Hon. Mr. Meen: I thought I had one somewhere. It simply certifies that with respect to a particular transaction between (A) and (B), as vendor and purchaser, a brief description of the land, that as of the certain date stipulated at the bottom, no lien is payable, or there is no lien.

Mr. Lawlor: What on earth were you talking about latitude for? That says a certain date.

Hon. Mr. Meen: Mr. Chairman, I thought it was elementary, but maybe the hon. member has missed the point on this.

Mr. Lawlor: Listen, boy, your arrogance is going to get you nowhere.

Hon. Mr. Meen: If he is acting for the vendor—

Mr. Lawlor: We practically got you bamboozled from the beginning of this bill and if you go on like this you will be here forever. You better learn. Some people are so damned obtuse.

Hon. Mr. Meen: If he is acting for a vendor and he knows that he has a closing date of 30 days hence, as a wise solicitor for a vendor he would set about the various clearance certificates which he or the solicitor for the purchase is going to requisition or may indeed have already requisitioned. So he would be in touch with the ministry, advising as to the anticipated sale date, the amount of the proceeds, the parties to the transaction, generally submitting a copy of the agreement of purchase and sale and indicating also his date of acquisition and if there has been an increase in value, what he would anticipate the tax would be.

This kind of information would be submitted to the minister. In the course of assessing it, the minister's staff would determine the amount of the tax, would make arrangements for payment if there is any tax payable, or if no tax is payable would issue at that time—and not wait until the 11th hour and the 59th minute of the evening before a transaction is to close—the lien clearance certificate as of a date at least up to the date set out by the solicitor for the vendor in his material submitted to the ministry. If, in the illustration I gave, he picked June 15, it would be that date or a date subsequent to it for which the ministry would issue the lien clearance certificate. That lien clearance certificate would be mailed back to the solicitor for the vendor for him to put in his file with the other documentation, awaiting the attendance to complete the transaction.

Mr. Lawlor: Well I suppose—

Mr. Bullbrook: May I say—all right, go ahead.

Mr. Lawlor: I was going to say that as far as I can see, it's not the minister who is obtuse; obviously we lawyers over here and numerous others of the opposition must be terribly at fault, because that is not what it says; that is not the literal rendering of the thing. You can place any interpretation you bloody well please on your legislation, and that is what you are doing all the way through on a bill that has to be as critically regarded and as neatly and tightly assessed as this taxation statute has to be to be valid at all. You are the most akimbo-elbowed man I have ever seen. You are fairly tight in most instances, but in this particular case, being loaded with this persiflage, I suppose that you have given yourself elbow room which we simply can't permit.

Mr. Bullbrook: Mr. Chairman, may I say to the member for Lakeshore, I don't believe we are obtuse. We are not obtuse. We are not getting answers. We are not getting answers to fundamental questions where the minister—I say this to him most respectfully—is attempting to befog us with time elements and with quantum elements. I am not interested in that.

I don't mean to be melodramatic, but the history of democracy is replete with situations where people uprose as a result of taxation statutes.

I have begun with that premise in criticizing this statute, and every section and every subsection must be critically analysed from the point of view of its impact upon citizens. This is what we have attempted to do.

We are not obtuse. I don't want the last word for the sake of having the last word, believe me, but it has to be recorded here that we are not obtuse. The fact of the matter is that the minister has not been able to respond directly to our criticism—

Mr. Lawlor: I didn't think we were obtuse. I thought a little sarcasm might help.

Mr. Bullbrook: —and he digs in his heels for the sake of digging in his heels.

Mr. Chairman: The member for High Park.

Mr. Shulman: As a member who was here this afternoon, perhaps I can pursue the matter that my colleague has raised. He asked, when you get these applications in next week, how are you going to tell, sitting in your office, what that property was worth on April 9, 1974? If you recall, when I tried to question you about that this afternoon, you said our computer will tell us in a few seconds. But you don't even have the computer yet. You told me you aren't going to have it until the end of this year. What is going to happen for this year, 1974? How are you going to tell, sitting in your little ivory tower up there, what that property is worth? Are you going to run out there and take a look at it?

Hon. Mr. Meen: Mr. Chairman, the very simple answer is no, I don't intend to do that. But we have our assessors throughout the province who have been doing this on an ongoing basis.

I might mention that the member for Waterloo North, I think, mentioned that there were some portions of his riding that were running at about 60 per cent of the current market value. That's true. That is one of the reasons why we have had to put back the full market-value assessment programme until 1976 for the 1977 taxation year. There has been a tremendously rapid rate of increase in some of the areas that were done at an earlier time.

If my memory serves me, I believe his area was done somewhere in the 1971-1972 era—perhaps a year or so after that, but some time ago and in the intervening year or two years there is—well this is 1974, so that's about right—1971-1972 I think, there has been such a tremendous escalation that now those assessments that were not, by our figures at any rate at that time, a fair market value, are no longer fair market value and their rate of increase has been such that we are going to have to go back and do them again, and and we are doing that now.

Mr. Shulman: You can never catch up.

Hon. Mr. Meen: Just coming back to the basic question of market value assessment, for any question which comes before us and for which we don't have a current market value assessment done within the last few months, and over the last few months those will automatically bridge the April 9 date in any event, we would have that information available through the assessment office.

Now later on in the year, as I was trying to tell the hon. members, and by about this time next year for all properties in Ontario, we will have this information on a fairly swift retrieval basis through the computer. But presently it would not be out of the computer, it would be on our basis of market value assessment.

Mr. Shulman: What market value? I am no lawyer, but it is obvious to me that the market value assessment is going to be no-

where near either the value or the selling price.

Let us just take—I keep trying to take concrete examples because not being a lawyer I don't have the minister's great intellect or his knowledge of these things; it is slower for me to comprehend. But let's take a comprehensive example—

Hon. Mr. Meen: Be careful, your sarcasm is showing again.

Mr. Shulman: Let's take a simple example which even I can understand, and I am sure the minister will explain the fallacy of my thinking to me.

Let's suppose next month I decide to sell my building on Roncesvalles Ave., and I find a willing buyer. Actually I have been talking to the member for Downsview and I find he is willing to buy the building from me—and we close the deal, and I make out the value of this building as of the day I am selling it to him which is going to be June 15 to be exactly the same as on April 9, because there really has been no increase in price since then, how in the world are you in your office going to have the foggiest notion what that building is worth or was worth on April 9? What is the use of looking at the assessment? That is not going to help you.

Hon. Mr. Meen: Why not?

Mr. Shulman: Because the assessment happens to be approximately 50 per cent of what the selling price would be. So what is the use of looking at the assessment? I mean, you are talking like a child. I expect a certain amount of intelligence from you.

Hon. Mr. Meen: Mr. Chairman, if the assessment for our purposes, the market value assessment, not the assessment on which the hon. member is presently paying taxes—

Mr. Lawlor: The market value is nowhere near the present value, and never will be and you know it. That is a myth.

Hon. Mr. Meen: Well, I am interested because maybe we should send our people out and just double it. But the point is that our market value assessment will be our indicator for establishing the values on April 9—

Mr. Shulman: Then you will question every deal that goes through?

Hon. Mr. Meen: We may have to question quite a number of the deals that go through.

Mr. Shulman: You are going to bog down.

Hon. Mr. Meen: On the other hand, let's face it. At this particular point we have had six weeks since April 9 and I would not expect that there has been a significant increase in real estate values. Indeed, from what readings I have been given, if anything, values have not risen, but may be flat-topping and there may be some indication toward a downward drop in those prices, regardless of what the hon. members opposite have been saying, simply because there are far more houses on the market than there were a month or two ago—

Mr. Shulman: Surely because nothing is moving.

Mr. Lawlor: They don't move, that's right.

Hon. Mr. Meen: And if they don't move, then the vendors will be reducing their prices, and so there will be some reduction in the prices.

Mr. Shulman: Not necessarily, this is galloping inflation.

Mr. I. Deans (Wentworth): Let me ask a question. I don't know anything about it, except what I read in the paper. And I read in the paper last week that the average value of the average home sold in Metropolitan Toronto had gone from $47,382 in February of this year to $57,876, I believe, at the first of May of this year. That was in three months, an increase of $10,000 in the average price of the average home sold under Multiple Listing. Now where are you going to saw-off? Where are you going to decide?

Obviously the market value of that home, the assessed market value was assessed some considerable time ago, maybe 12 months ago. And at the time that assessment was made, that home likely was worth no more than $38,000 on the free market. So where do you begin to saw-off in determining what, in fact, that particular property would be worth on April 15? This is what we don't understand—

Mr. Shulman: Nor does anybody else.

Mr. Deans: —and I think it is quite elemental and I think it is necessary that we understand where we are going before we can reasonably vote on it. It is virtually impossible, with the way the market has developed over the past six months to a year, for anyone to put his finger on any given period of time and say on that date this particular property was worth X number

of dollars. We want to know how it is that you're going to be able to do that, given those kinds of changes. If you were to take this mythical average home sold by the Multiple Listing Service, how would you decide what it would be worth, given that there was a $10,000 appreciation in value from the end of February to May 1? How would you begin to decide what it was worth on April 15?

Hon. Mr. Meen: I will repeat what I said this afternoon—

Mr. Deans: Oh no, not that again.

Mr. Shulman: That is not going to help.

Hon. Mr. Meen: What I'm trying to say is, and what I said then, was that we do have information on sales that occurred at that time, entirely apart from our own mechanism for market value assessment — that is an ongoing process.

Mr. Shulman: Where is that information?

Hon. Mr. Meen: Teela market surveys—a number of sources of this kind—plus our own figures available to us under the Land Transfer Tax Act on all sales that occur where we have the affidavits under the Land Transfer Tax Act attached to every last deed that's registered. That gives us the market value and by—

Mr. Deans: On those properties?

Hon. Mr. Meen: On those properties that are sold. It is possible to obtain comparative figures for like homes, of like vintage, in the same general area—

Mr. Shulman: How can you do that without a computer?

Hon. Mr. Meen: —roughly the same size of lot, this kind of thing. Then we can determine from that the way the prices were moving in order to determine what would be a fair market value for that particular house on April 9, if it is one of that very small percentage that doesn't comprise the home of the vendor or is otherwise exempt under one of the sections. Say it fell under 4(g), where one has to make some improvements, and that kind of thing. You couldn't rely on that, but you could be looking at other factors in order to determine the amount of any tax that was payable. There are various mechanisms available to the ministry, either through the mechanism of the assessment procedure, which we have for our market value assessments or related sales in the area about the same time of similar homes and so forth, that one can use to attach a fair market value to that property.

Mr. Deans: You obviously must have given a lot of consideration to the kinds of mechanics that are going to be involved in making these analyses because I can imagine —without too much imagination really—how difficult it's going to be to go around and start to make that kind of assessment—

Mr. Shulman: Impossible.

Mr. Deans: —to dig through all the records to find out a similar home, in a similar area with the same amenities and to try to determine the value of that over and against the value of what's currently being offered for sale. It really is an impractical proposition. The moment you've assessed one of those homes, that will be the basis for every appeal on every single assessment from that day forward.

I don't understand the appeal mechanism, but any lawyer worth his salt is surely going to take any subsequent assessment that's higher than that anywhere in the general area and appeal it. And they will appeal it and appeal it and appeal it, and the mechanism will break down. The added cost to the purchaser or to the seller, depending on which it is, has got to be astronomical just simply to process what you're hoping to accomplish. I frankly think the government is getting itself into one heck of a mess.

Do you know something? I wish you well with it. I really do. I hope it destroys you totally because you deserve it. I don't mean you personally but quite frankly the government deserves it. To push ahead with a bill with so many obvious flaws you frankly deserve to be defeated on it at some point.

Mr. Lawlor: I take it, in granting the certificate at the present time, what you're really saying is this: "We have no problems as we see it for the nonce and this may stretch into the next two or three months but the market value as of April 9 is substantially what it will be on Aug. 9." At least on Aug. 9 you'll look at the situation and say that it's shifted a few points one way or another, but at this very moment, that if you brought in the thing there wouldn't be much of an argument. Your assessors, and others, would nod their heads basically and say: "All right. This is the selling price as of this date, or thereabouts, and it looks pretty much the way it ought to be in terms of a fair market value."

What bothers me is some years hence in the actual operation and administration of the statute again. Suppose you take the situation where I own the whole house but I've rented out three-tenths of the building and I continue to reside in and hold seven-tenths of the building. Without projecting ourselves into the future on that, would your assessors under your suzerainty simply say if the house is selling for $30,000 and you own seven-tenths, then you would take it off the figure which it was actually sold for? If you have any suspicions that it is undervalued you might send an assessor out to take a look at it. Assuming that this is a normal arm's length transaction brought by contracting parties through an agent or otherwise, I assume that that is what you do.

Then three years from now, if that situation existed, you would be paying a tax of three-tenths of seven-tenths of that increment. Of course, our whole problem is that that increment in 1977-1978 is the very bird at issue. At that particular time, surely you are not telling the people of Ontario, you and me and everybody else in this Legislature, most of whom own property, that we should be very discreet or some other thing to go out and have a land valuation made right now on top of the valuations that some of us had made when the federal government brought in its taxing statute and set the first valuation day. I haven't got the impression that you were really advocating that this particular process with the cost entailed should be gone through.

Surely there are monumental problems by way of retrospect to be faced now in a number of years' time to gain that effective date, namely, April 9 of this year. In a very short time, we are going to lose track. Do you think you can retain track? Do you think that your present records are adequate by way of assessment purposes? I must confess it's drawing a purple herring right clean across the path of this debate even to suggest that the fair market assessment that we talked about at such laborious length during the Smith committee recommendaions and bringing them forward has any real relation to the true cost of property.

They have had an assessment made in the Niagara Peninsula. Did you see what they were doing to the Shaw Festival Theatre and its market value assessment? The building cost $3 million. Its assessment at the present was about $487,000, reduced recently to $412,000, saving them a few hundred dollars by way of assessment. Nobody pretends that there are any commensurate figures, and there never will be. By the time you've got uniform assessment across the province, the whole situation is altered and you start all over again.

With the rapid escalation of prices that we face you are completely out of date. It would be foolish to start all over again at this stage. You'll take your market value. You may call them what you please. They are the figures that you have arrived at with some degree of uniformity, at least on the basis of uniform principle as between Fenelon Falls and here, in order to set these market values, but it has no relevance in this debate. I think that you only prolong it by introducing issues of that particular kind.

Mr. Shulman: Wait a minute. You really shouldn't speak without a quorum. Could we have a quorum call, please?

Mr. Singer: You will find there are 19.

Clerk of the House: There are 18 members present.

The Chairman ordered the bells be rung for four minutes.

Mr. Chairman: The member for Lakeshore has the floor.

Mr. Deans: Whoa. On a point of order, I don't believe you have a quorum, Mr. Chairman.

Clerk of the House: Mr. Chairman, I saw a quorum.

Mr. Chairman: The Clerk reports he saw a quorum.

Mr. Deans: Just.

Mr. Chairman: The member for Lakeshore has the floor. We are on subsection 2, the matter of a lien.

Mr. Lawlor: I was saying, Mr. Chairman, that in order to get a certificate under this subsection, certain things would have to be proven or certain things established with the ministry. Apart from the infernal nuisance of having to go through the procedure of traipsing up to Grenville St., sitting around, suffering a certain amount of intolerance at being put off and having to come back, the thing that really turns the public off more than bureaucratic controls is more serious.

What I was centrally interested in and the question I am directing is that while the minister may remain a little nonchalant today and say that this is not a pressing issue as

things presently stand, it will be a pressing issue in 10 years time when that house comes to be sold, which is three-tenths or seven-tenths or whatever tenth you want occupied. How is one figure going to be set over against another at that time and dated back and assessments made as to capital increment and value increment between those two dates?

Mr. Singer: Is the minister not going to reply?

Hon. Mr. Meen: Not on this subsection.

Mr. Singer: Oh. Not on this subsection. All right, let me try and whet him into action again.

Mr. Chairman: I wonder if I can find out from the committee about the matter before us. The way I read this section, the discussion is on the matter of a lien. I don't think really assessment enters into this section, the way I read it.

Mr. Shulman: But the minister says it does.

Mr. Singer: Of course it does.

Mr. Lawlor: Oh, but it does. In order to get a certificate from the ministry, you have to prove certain things and values and present evidence. One of the ways in which these values are established is through assessment, so he says. I don't believe it, but there you are.

Mr. Singer: Let them send you to Mr. Lawlor and he will give you a short course.

Mr. Lawlor: So we get into all this rigmarole because of it. If he is not going to reply, I think we should move the adjournment of the debate or something, just to see what he does.

Mr. Singer: Well, I'd like to pursue another line of inquiry. As I understand the minister, everything is going to be clear and rosy and normal when you get a whole flock of law students in to issue these certificates. I presume the law students are going to be these officers, are they?

They are not going to be the officers. What are the law students going to do? Are they going to assess the applications for clearances? Are they going to give them to these officers who are then going to rely on the law students? We were trying to pursue that on section 5(1) and you told us, by some magic, when you get the computer working you press buttons and the computer is going to come out with the evaluations. You are not going to have the computer working for some considerable time, even if it works.

Now in the meantime you are going to gather law students out of the law schools as soon as they are released, and they are going to come in to the department and they are going to clean up the backlog. Now the backlog, presumably, is going to be cleaned up by officers signing certificates, if the officers can legally sign the certificates, about which I have grave doubt, even though the minister doesn't. Are the officers—35 to 40—present employees of the department?

If they are, and if you can legally make them officers, if and when retroactively you give them an appointment by a retroactive regulation, on what criteria are they going to accept the advice of these well-paid law students who have just emerged from Queen's and University of Ottawa and Windsor and York and University of Toronto, and Western —I think those are all the law schools—or maybe you are going to hire them from other provinces, I don't know, and they are going to sift through all these papers and read the statutes and say: "That's a good one for a clearance. Here you are, Mr. Officer, give him a clearance."

What criteria are these law students, who are going to come in and clean up the backlog, going to use if they are not officers, to recommend to the officers that the clearance certificates be, in fact, signed so that the liens, in fact, don't exist?

Hon. Mr. Meen: Well, Mr. Chairman, the law students of course don't make the decisions on these things, but they are able to distill down the facts that come in with the applications from the various law firms. And then, based on that, the information would go forward to the more senior assessors and those who are able to ascertain an appropriate value for the real estate and determine whether a tax should be payable. And then eventually through the mechanism of several steps such as that, eventually either a lien clearance certificate is issued or a statement of the amount of tax payable is issued and arrangements made for its payment.

Mr. Singer: How many law students are you going to hire?

Hon. Mr. Meen: Well we have, I think, 11 now.

Mr. Singer: Eleven. Do you have a list of instructions for the law students as to what they are going to do?

Hon. Mr. Meen: Well, I have not entered myself into the mechanism of that department, but I expect that we have either written or oral instructions that would detail the number of steps they take.

Mr. Singer: And are you implying to us that the law students are going to seriously be able to make the determination as to value?

Hon. Mr. Meen: No, I have not said that.

Mr. Singer: Well then, who is going to make the determination as to value?

Hon. Mr. Meen: I indicated that we have assessors in the ministry who will do that.

Mr. Singer: Oh, the asessors now. All right. Well then, you get an application for a clearance from the member for High Park. And he supports it with a letter from good old Joe, his friendly real estate agent. He says in—

Hon. Mr. Meen: No. He says you are prepared to buy his property from him.

Mr. Singer: Well yes, and he has a letter from good old Joe, his friendly real estate agent, who says: "In my opinion the value is no more than it was on April 9." What is the law student going to do when he sees all that material come in from the member for High Park?

Hon. Mr. Meen: Having regard to the source, he might very well question him, I wouldn't know.

Mr. Shulman: He is going to have to question every one that is going to come in.

Mr. Singer: Yes, and then what kind of report is he going to make to one of these 35 or 40 senior people?

Mr. W. Hodgson (York North): Have you no faith in our young law students?

Mr. Singer: Not to make decisions like that.

Hon. Mr. Meen: I think this is a rather senseless dialogue, Mr. Chairman. But, in short, he is going to present the information to one of the senior men. They will determine whether an assessment should be made by way of a man attending at the site.

They will determine whether their own information is adequate to support the representations made and, based on this, further discussions might or might not be held.

Mr. Singer: Let me continue this senseless discussion, so described by the minister. I don't think it's senseless at all; I think it's most important. How is the law student or the senior man in the department, happily called an officer—if you can have retroactive regulation on top of retroactive statutes, which don't provide for retroactivity, what kind of tests is he going to apply? Somebody tells him that Black Acres is worth $100,000 on April 9. It is now being sold for $100,000 on June 11. What kind of testing is either your law student or your officer going to be able to apply to that? Remember, he hasn't even got your magic computer to be able to help him. What kind of testing is he going to be able to apply to determine this?

Hon. Mr. Meen: He still has available to him the information in the assessment division, which will help him in ascertaining whether that representation is a fair one.

Mr. Shulman: What good is that?

Mr. Singer: I see. Let's move from Black Acre to Yorkminster. There is no up-to-date information in Metropolitan Toronto, in the assessment division, which is going to give him the faintest idea.

Let's presume it's a house in Yorkminster subdivision in the borough of North York. How is he going to apply any testing because his assessment records are of no value? They are still on the old Alf Gray system—what was it?—17.1 per cent plus 10 per cent or something?

Hon. Mr. Meen: No, for tax purposes they may be on Alf Gray's old system but within my ministry we have up-to-date real estate values, all done.

Mr. Singer: On every property in the Province of Ontario?

Hon. Mr. Meen: Yes.

Mr. Singer: Come on!

Hon. Mr. Meen: I believe that virtually every property in Ontario is done. It may not be completely current as the member for Waterloo North will tell you. His area was one of the early ones done—

Mr. Singer: Yes, he told us that today when we talked about—

Hon. Mr. Meen: —and he thinks it may run at about 60 per cent. I don't quarrel with that; there may well be some that do.

Mr. Shulman: Then what good is it to you? What use is it?

Hon. Mr. Meen: We know the ones running low and we can adjust them as required. The fact is it is quite within the competence of the assessment division of the ministry to come up with fair market values.

Mr. Singer: You are telling me that you know that in Waterloo the value is 60 per cent. Do your records show that?

Hon. Mr. Meen: No, I am saying I would be prepared to accept that. The member for Waterloo North has said it.

Mr. Singer: Yes, but supposing he said it was worth 30 per cent. Would you be prepared to accept that?

Hon. Mr. Meen: No, I would not.

Mr. Singer: No? How do you determine all this? Because the member for Waterloo had said 60 per cent, is that the be-all and the end-all? Maybe he's right and maybe he's wrong. I told you I have great respect for him and I would be prepared to take his figures over and above yours, but—

Mr. J. A. Taylor (Prince Edward-Lennox): Let's hear from him.

Mr. Singer: —surely that's no way to run a taxing statute?

Mr. Lawlor: You accept your figures for Downsview—

Hon. Mr. Meen: I would say I happen to know there are some where there is a disparity of 30 to 35—maybe upwards of 40—per cent, going by current values as opposed to the values of two, three or four years ago when those market value assessments were made. It's for that reason that my predecessor (Mr. Grossman) announced in this House last October that we were going to have to go back and do some of those again.

It may well be that the member for Waterloo was speaking with considerable accuracy in reference to his own area. I do not dispute that. I don't say it's true. I say, if he said it, I might well be prepared to accept it because I do know that in some areas of this province where there has been rapid escalation in costs—and we don't have to look at Metro for that; we can look elsewhere and Waterloo might well be one of those areas—as a consequence we are going to have to go back. We are going back and redoing some of these areas.

There are some which could be as much as 30 per cent out. If the member for Waterloo says his area is one of them, I am not going to disagree with him.

Mr. Singer: Doesn't that make the whole thing absolutely ludicrous? The member for Waterloo stands in his place and says somebody told him that the values in his county are 60 per cent of actual value and you say, "That's good. He's an honourable man—and so say we all—and therefore every time we see something from Waterloo, we'll run in and ask the member for Waterloo." Will you ask all 117 of us what we think the reasonable value is? I am sure I could ensure my permanent re-election if I could fix the actual values in Downsview merely by consultation and coming up with a figure out of the air.

Mr. Lawlor: The value in Lakeshore is 10 per cent of what you think it is.

Mr. Singer: That's no way to run a taxing statute. In saying that, I applaud my colleague from Waterloo. He's a fine gentleman and he's telling you what's wrong with the system. Surely, because he has an opinion it's at 60 per cent of value, it doesn't fix the basis on which your law students and your 35 or 40 officers are going to determine whether or not to issue a clearance certificate?

Hon. Mr. Meen: No, it does not.

Mr. Chairman: The member for High Park.

Mr. Shulman: I would like to leave this subject just for a moment and come back to certificates directly. Suppose, before the member and I conclude our deal on this property, my lawyer comes in and says we want to get this certificate but no lien is claimed. We supply all the material but we are not going to close the deal for six months. Will you give me the certificate for a date six months hence?

Hon. Mr. Meen: If the agreement of purchase and sale calls for a completion date six months from now and if it's an absolute airtight agreement that commits you to sell and your good friend from Downsview to purchase six months from this date, the ministry would be prepared to issue a lien clearance certificate or a certificate of the amount of tax that would be payable, computed as of that date.

Mr. Shulman: Supposing it wasn't complete or an exact sale but just an option; would you still be prepared to do it?

Hon. Mr. Meen: No.

Mr. Shulman: The answer is no?

Hon. Mr. Meen: Yes, the answer is no.

Mr. Shulman: For the life of me, how in the world is anyone ever going to assemble any land?

Hon. Mr. Meen: There might be some difficulty. I am thinking of situations in which one might take an option at a certain time but he would, I suppose, as he was about to exercise the option—remember its the optioner who is granting an option to the optionee but it's the optionee who has the right to exercise it, not the optioner. The optioner is going to know to what extent he may be subject to tax if the optionee exercises his option X months from now. You simply wouldn't grant it at that time; you would grant it at the time when the option became a contract of purchase and sale.

Mr. Shulman: Let's suppose we come to your little city that you bought down in Nanticoke a few days ago. Your good friends from Revenue Properties were going around, as a public service, optioning the land; let's suppose that instead of that happening last year, they were doing it this year.

You people wouldn't be prepared to issue any certificates on that basis. You said so two minutes ago. How could they ever have assembled the land? How could the options have ever been taken out? You know damn well they couldn't have and no one will ever be able to assemble land in this province again, thanks to your new bill.

Mr. Chairman: We have the—

Mr. Shulman: Is the minister not going to reply?

Hon. Mr. Meen: I have answered the question.

Mr. Shulman: Thank you very much. Goodbye options and goodbye land assemblage.

Mr. Chairman: The member for Waterloo north.

Mr. E. R. Good: (Waterloo North): One thing before we decide what we are going to do with this section. As far as getting the certificate on the basis of whether the values are correct or not, to me, is going to be such a hassle that I think it will probably end up it will be the vendor putting in a figure to attract what he considers the lowest amount of tax he can get away, or that the minister will accept. It is going to be impossible for the average man to get valuations, unless he is in the business and has gone out and got professional valuations as of April 10.

This did not happen on federal valuation day, Jan. 1, 1972, as far as capital gains tax goes. I know that in some instances the thing has just been handled with this attitude, "Well, what is the least amount of tax I think that will be accepted by the government, and we'll put in figures to correspond with that."

A letter from the real estate officer on the valuation, if it is treated in the same manner in which the assessment review court treats letters of valuation from a real estate appraiser, will not be regarded with any degree of authority by the ministry. I would hope that perhaps it would, but, to my dismay, a few months ago in the assessment review court, they said, "This letter is worthless. We don't even know if that gentleman visited the property."

I said it was the basis on which a willing buyer sold to a willing seller. They said it was not notarized and that it wasn't handled by a professional appraiser. I said, "Well, it was good enough for the vendor to take as his appraisal, and it was good enough for the buyer to take as his appraisal, and the deal was made on that basis. It didn't hold any water with the assessment review court.

I venture to say that except for people who are in the buying and selling of land as a business, there are going to be very few persons who have established a valid, authoritative legal valuation of parcels which are going to be transferred in years to come, and that valuation on April 10, 1974. So, there are going to be real hassels arising, and I've only one question.

Interjection by hon. member.

Mr. Good: Is the onus going to be on the transferor to prove that his valuation is correct, or is it going to be on the government to prove that its reassessment of his valuation is correct? It is interesting to know which way that will go.

Hon. Mr. Meen: Mr. Chairman, I think under taxing statutes it would be consistent if I were to say that the onus would be on the transferor to establish the valuation.

Mr. Good: Yes, that is what I was afraid of. That is what I thought. Be that as it may, I think we are going to find that it is going to be a pretty "dicey" situation trying to establish these values with any degree of accuracy. I would hope that the government's

position would be that it would err on the side of favouring the transferor, especially when it comes to people—individuals who are transferring small parcels, second homes, investments, farmland and things of that nature to attract as small an amount of tax as possible.

The one thing in this section that does concern me is that, as I understand the debate that has been going on, it is possible to find that where a lien has been established on the land that the lien has been wiped out by a certificate and supposedly a clear title has been given, it would still then be possible, if the tax is not paid by the transferor, to have that lien re-established at a later date on that land. This would then become an encumbrance against the land after the vendor has made his sale and taken off. Is this not the basis of what the argument was earlier?

Hon. Mr. Meen: No. Once the lien has has been released—

Mr. Shulman: On a point of order, Mr. Chairman, before the minister replies, I wonder if we could have a quorum?

An hon. member: Not again.

Mr. Singer: Don't complain. If you can't keep 20 Tories in here you deserve every quorum call.

Clerk of the House: Mr. Chairman, there are 19 members present.

Mr. Chairman ordered that the bells be rung for four minutes.

Clerk of the House: Mr. Chairman, there is a quorum present.

Mr. Chairman: The member for Lakeshore has the floor.

Mr. Lawlor: Mr. Chairman:

The wise old owl sat on an oak,
The more he saw the less he spoke,
The less he spoke, the more he heard,
Why can't we all be like that bird?

You heard me did you? Remarkable.

I want to pursue just for a few moments another problem. I want to understand the mechanism and I want it on the record how these certificates are obtained touching the payment of the tax.

Will you grant a certificate, and how do you manage to grant it? If I come up to Grenville St. and say, "Yes, I am afraid we are caught in the net. We are one of the sardines." I don't represent the sharks—they never come to see me—I know the way out. If they would only come I could make myself a fortune under this bill. I could hold a general opening and gesticulation toward the—

Hon. Mr. Meen: That won't be legal.

Mr. Lawlor: —speculation industry in order that they would come to see me. I can get them out of this tax without turning a hair if you will only pay me 50 per cent of the 50 per cent. I will be a millionaire inside two weeks. Why don't the member for High Park and I go into business?

Mr. Shulman: I have an 18-year-old boy who's already done that.

Hon. E. A. Winkler (Chairman, Management of Cabinet): He beat you to it, Pat. He beat you to it.

Mr. Lawlor: If you walk in with a cheque, if you estimate what you think is the tax as you have reached either your actual value figure or your fair market value figure, you come in and hand over the dough—a certified cheque I suppose—and say, "Here it is, now you give me a certificate." You agree with the evidence placed before you. Is it possible and on what terms is it possible to obtain the certificate without payment as condition precedent?

Hon. Mr. Meen: Mr. Chairman, I wonder if the hon. member has ever had that type of question come up in the sale of real estate in an estate? The same kind of principle would apply here as if he, as the solicitor acting for the vendor, came in, the arrangements were made, the establishment of a tax was reached, and let's say the estate didn't have the money or the vendor didn't have the money—he was going to derive it out of the sale. The ministry would accept an undertaking from that solicitor to see to the payment of the amount of the tax out of the proceeds.

That would be one way he could do it. If he didn't have a certified cheque for the amount of the tax or if he didn't have security that could be posted, there is the further mechanism that has been recognized for years and which is followed under the Succession Duty Act. This involves simply taking an undertaking from the firm of solicitors acting for the vendor to say that the amount of money payable is paid out of the proceeds when the sale is completed. On that basis the release would be issued.

Mr. Lawlor: Have you any mechanism—are you anticipating bonding provisions of any kind?

Hon. Mr. Meen: I suppose it would be possible if the covenant of the solicitor weren't acceptable. Perhaps there was no solicitor acting or someone to whom the ministry could look to with a feeling of confidence that we have been able to look to the legal profession up to now. It might be that a bond was required or that maybe the solicitor for the vendor wasn't receiving the proceeds. Under that basis, yes, he would have to look to something like a bond or some other security for the payment of the amount of the tax.

Mr. Lawlor: Do you feel that you have got adequate provision in your statute to provide for that possible contingency?

Hon. Mr. Meen: Yes. I don't know the subsection offhand, but I am sure we have got it provided for.

Mr. Lawlor: We will take a look at that.

Mr. Chairman: The member for High Park.

Mr. Shulman: I would like to pursue this matter of land assembly, which obviously the minister hadn't considered before, in reference of this certificate. Let's again take a specific example. I own a building on Roncesvalles Ave., and there is a company by the name of Meridian which is in the habit of building apartment houses in the city. They decide that this would be a very good area in which to build an apartment house. And so, following their usual routine, they start approaching the various individual owners in the area in order to buy the land to put up their apartment.

They approach me first of all and they say, "Gee, that is a lovely building you have. We are thinking of investing in your area. We would like to buy the building from you, and we will offer you—it's worth maybe $50,000, so we will pay you $60,000 for it." And I would be very tempted to accept. But before accepting, the first thing I would have to do, because I wanted to make sure how much tax I am going to be stuck for, I have to say, "Well, hold everything just a minute. I think maybe I will give you the option you want but I better go to that department down there and see how much tax I am going to have to pay."

I am going to come down and see you people, and you are going to say, "Well, we can't give any certificates until you have a definite firm offer; an option is no good." That's what you say. So I am going to have to phone up Phil Roth, and say, "Gee, Phil, I am awfully sorry, I would like to let you buy that building, but there can't be any deal because I can't find out how much tax I am going to be liable for."

Now, if the minister will just try thinking ahead one step, what he has done with this section is stopped at one fell swoop any possibility of land assembly.

There is no way that assemblers can go ahead in secret as they always have in the past. They are going to have to send a letter out to everybody in the block, saying, "Hey, fellas, we want to put up a big apartment building there." Has the minister given any thought to what that will do to land values in that particular block, and ultimately the cost that good old Phil is going to have to pay for his land, and ultimately the rent that he is going to have to charge when those apartments go up? Secret land assembly is finished. There never will be another secret land assembly in this province, with this section.

Have you any idea what that is going to do to rents, presuming that any apartments ever get built again? Would the minister care to comment on this?

Hon. Mr. Meen: Mr. Chairman, the owner of a property is entitled to see what his market value assessment is, and I think that he would be entitled then to come in and see what his property, assessed in his name, stood at on our books as market value assessment, if indeed he has much doubt as to its value. From that, it wouldn't be very difficult for him to deduce the amount of the tax. I can't imagine that this is going to place any impediment in the way of any really genuine, willing vendor.

Mr. Singer: Could I ask the minister a question or two? I have sort of been glancing through his colleague's statement called "Housing Ontario '74." Following up this point about options, I turned to the bottom of page 17. It states:

> Private industry will be required to enter into binding agreements with appropriate levels of government which will guarantee the production of the numbers and price ranges of dwellings specified in the provincial regional and municipal production targets.

And it goes on to one, two, three headings, and (a), (b), (c) and so on. How is your colleague, the Minister of Housing (Mr. Handleman), going to be able to do that unless an

option system is available so that land can be assembled, and so that this kind of an agreement can be offered to the Ministry of Housing in order to produce the houses that your colleague is talking about in the statement he tabled?

I wonder the extent to which you knew about this statement when you brought this statute in. There is another section we have already passed it in here. But I thought it was interesting, to improve existing housing stock by directly encouraging the rehabilitation of older housing in deteriorating neighbourhoods. And you have got that 20 per cent figure in here. So I wonder to what extent this statement was co-ordinated at all with what the minister is doing in this statute.

Mr. Chairman: Order please. To the hon. member, I am just wondering how you tied this in to this particular section when we are talking about liens.

Mr. Singer: Oh, it is quite obvious.

Hon. Mr. Meen: Real obvious.

Mr. Singer: Let me explain to the chairman, because the chairman isn't following me. The object of this statute apparently is to encourage housing. Now, this afternoon we had the Minister of Housing, Mr. Handleman I think his name is, come in with a statement and a policy. And the policy applies in place of what this minister is doing in his statute.

Hon. Mr. Meen: Oh, for goodness sake.

Mr. Singer: Now, when we are talking about lien clearance certificates, the hon. member for High Park elicited from the minister just a little earlier the statement that if there are options, you won't get the clearance certificates. But a substantial portion of this statement a couple of pages that quickly come to my attention are pages 17 and 18—deal with the government dealing with developers. Now how possibly are you going to be able to encourage a developer to get into this kind of action if there are no clearance certificates available so that the developer can know where he is going, and the people with whom he is going to be dealing know where he is going? You are defeating what your colleague said this afternoon in his 50-odd-page statement. Does that make any sense to you? It doesn't to me.

Hon. Mr. Meen: Well, I can say that the words of the hon. member for Downsview sure don't make much sense to me.

Mr. Singer: Well, you should pay a little more attention.

Hon. Mr. Meen: If he is going to use that argument, he might just as well talk about agreement of purchase and sale. The vendor under any of those transactions isn't going to get a certificate from me either, until he has submitted a copy of the executed agreement of purchase of sale.

Mr. Singer: Then you are not going to get any agreements. And you shot two or three pages of your colleague's.

Hon. Mr. Meen: We can't be issuing the things on a whimsical basis any time somebody may be thinking of selling his property. And by the same token, if he is thinking of optioning it, the same question would arise.

Mr. Bullbrook: An agreement of purchase and sale is whimsical?

Hon. Mr. Meen: And I would say, Mr. Chairman, in any event that this is completely out of order. It has nothing whatever to do with 5, subsection 2.

Mr. Singer: Oh, come on.

Mr. Shulman: Well, what I am talking about certainly has to do with it, which is the damn certificates, which is 5, sub. 2. I want to come back to what the minister was saying just a moment ago, since he is still reading his crib notes. He suggested that there is no problem if we have a vendor. All he has to do is come down to your office, look at his market assessment value, which we have already found in some areas is 60 per cent of the real value. In other areas it is 80 per cent. In other areas, presumably it is 110 per cent.

But that isn't really what the problem is. As the minister must be aware, in order to assemble a block of land and get it all together at a reasonable price so that we don't have a few people holding out and making the cost of land impossible, it has to be done in secrecy. Now you cannot option the land without the people going down and going through all this routine.

There is no possibility of secrecy. And what I am suggesting to the minister is, in effect, the result of this section is going to make land assembly either impossible or so expensive that the cost of rent of apartments in and around this city and for the rest of the province is going to rise astronomically. Now, the minister shrugs me off, and tells me not to worry about that.

Mr. Lawlor: He is going to pass regulations.

Mr. Shulman: He is going to find some magic way to solve this problem, he hasn't told us what. But it isn't good enough, you know, to shrug me off as not being a lawyer and not knowing what I'm talking about. This happens to be a factual section he has brought in; the results are very obvious to everyone in this House—even to the doctors.

Mr. Lawlor: As a layman, I think you do fairly well.

Mr. Shulman: Thank you. And I say to the minister that surely he mustn't just pass it by. He has to give some consideration to his colleague who sits beside him—and I wish he was here tonight—and who is going to have the problem of higher rents, or no apartments available a year or two years from now—because you are bringing in a silly subsection.

I suggest to the minister he has got to do two things. First of all, he must give the certificate of valuation to anyone who comes in – as he puts it, in a whimsical way – and asks for it; because otherwise there aren't going to be any sales. How can anyone go ahead and make a sale if he doesn't know how much tax he is going to have to pay?

Suppose I am closing my mythical deal with the member for Downsview, and I say: "Look, I want so much money for it. I think that the valuation as of April 9, 1974, was $50,000 on this property; but I had better go down and make sure before we close the deal, because I have to know how much money I am going to end up with. I have the mortgage to pay off; I have certain other debts that I must settle in connection with this property. So, I'll go down to good old Art's office and I'll ask him how much the valuation is going to be and see if he is willing to accept my figures."

And, according to what he has just said, I am going to go down there and he is going to say: "Well, I'm sorry, we're not going to tell you that until you have got a firm deal. In other words, I am not going to tell you how much tax you are going to have to pay until after you have sold the property.

What is this – Alice in Wonderland? I mean, this is nonsense! I don't know whether I should laugh, cry, weep, rage or what—but how can the minister take such a foolish position? Obviously, you must give these certificates on request. And for you to say you are only going to give the certificates after the Rubicon has been crossed, is to dry up the river. Is that a mixed metaphor?

Mr. Lawlor: It is a mixed metaphor; it is a good one, though.

Hon. Mr. Meen: Not really.

Mr. Shulman: Perhaps I should say drain the river. That is a better metaphor; yes, that is to drain the river.

Hon. Mr. Meen: No, "dry up"; that is pretty good.

Mr. Shulman: Will the minister please—I ask him kindly and with all goodwill. When I looked at him as a backbencher; he looked so wise back there, sitting in the back row—and he used to nod at the right time.

Hon. Mr. Meen: They always do.

Mr. Shulman: I used to think he was so bright. Just on this one section, just to please me, will he do this one right and say that he will give these certificates on demand?

Hon. Mr. Meen: I don't think, Mr. Chairman, one could give the certificates on demand because that presupposes the sale price and consequently a taxable amount. But I think what the ministry should consider would be establishing some mechanism whereby any owner could be assured of a minimum figure based on his acquisition on or before April 9, that is the value on April 9 or his later date of acquisition. If he has acquired it at a later date it's pretty clear just what his acquisition price is so what we're really talking about, I guess, is just simply those who presently own real estate. That will get less and less as the years go on and as there are transactions that then establish a subsequent date for acquisition.

I think we should be prepared to issue a statement to a registered owner as to the market value, which we would consider to be applicable to his property, if he indicates to us that he is contemplating a sale. That would then give him a benchmark from which he could work but that would not be appropriate in subsection 2 or 5 nor, for that matter, in any of the subsections.

Mr. Shulman: What then?

Hon. Mr. Meen: I beg your pardon?

Mr. Shulman: Is the minister going to bring in some new subsection?

Hon. Mr. Meen: No, I don't think that's necessary. I think that would be an admin-

istrative thing which the ministry would arrange to make with information available to the applicants on request.

Mr. Shulman: Okay. We're making a little progress on the subsection. What about the problem of assembly land? How can anyone do it in sequence?

Hon. Mr. Meen: No difference.

Mr. Shulman: There is a big difference. Right now you go and knock on a door—and we all know how these rapacious apartment buildings do it and they make the whole circuit in a matter of two or three days and get all the land optioned up. How can they possibly do that now?

Hon. Mr. Meen: If anyone is so foolish that he grants an option to somebody on that kind of short notice without talking to his lawyer or thinking about it, or comparing notes with his neighbours, he's got to be out of his mind.

Mr. Bullbrook: What's his lawyer going to tell him, my friend?

Mr. Shulman: Now, let's be reasonable. The minister must surely know how land is assembled in the province. They knock on your door on what street is it, Yorkminster, is it, or did we establish what street you're on?

Hon. Mr. Meen: I don't think we ever did.

Mr. Shulman: No, okay, well, on X street. They knock on your door on X street and you know that your property is worth $75,000 —no, pardon me, as a minister your property is worth $125,000 and this fellow offers you $150,000 with a 90-day option. Of course, you grant the option. Of course you do. You know what the land is worth. You've lived there all those years. You know that John Jones down the street sold his six months ago for so much less.

That's how land is assembled all the time. If it wasn't done that way no apartments would ever be built. You never would have bought your little buildings, your city down in Nanticoke. That's the only way land can be assembled at a reasonable price. It can't be expropriated for a private owner.

Now, in effect, this is no longer possible and you pass it by and you won't comment on it. I've had the opportunity in the last few days of phoning the owners of the largest apartment complexes in this city and I've picked their brains and their feeling is that there isn't going to be any more apartment building in Ontario, certainly not in the Toronto area.

Of the sections quoted, there is another section further down which is perhaps more pertinent to the point, but this is one of the sections quoted: "They say land assembly is no longer possible except by doing it publicly," which means land assembly is going to be two, or three, or four, or five times more expensive than before which means that rents are going to be 50 per cent or 60 per cent higher than before. This is not my brainwave. This came from one of your loyal Conservatives who is one of the largest apartment builders in this city.

You can shrug my thoughts aside. You can shrug his thoughts aside, but that's a fact. And it's going to happen and the apartment builders are aware of it. And the word, and I give you the word from on high, is that no one is going to be able to build apartments. Pass it by. Shrug it off. It is on the record again for your future demise.

Mr. Chairman: Those in favour of Mr. Burr's motion will please say "aye".

Those opposed will please say "nay".

In my opinion the "nays" have it.

I declare the motion lost and the subsection carried.

Subsection 3, any comments? The member for Lakeshore.

Mr. Bullbrook: Trying to wear us down.

Mr. Lawlor: Mr. Chairman, on 3, the affidavit section, I was just a little bemused as to how this affidavit that has been supplied to the profession will be filled in. I suppose the most used clause of them all, whereby the tax would be escaped is 4(e), the principal residence section, and they have been filling them out and appending them to deeds. It says, section 4, clause (e), clause 1, subclause (e), but now that you have altered (e)—

Hon. Mr. Meen: Who altered (e)?

Mr. Lawlor: There is an amalgam here.

Hon. Mr. Meen: Who altered (e)?

Mr. Lawlor: You have added very considerably to it on the—

Hon. Mr. Meen: Just an addition.

Mr. Lawlor: —on the partial residency features, where only part of the designated land disposed of is ordinarily inhabited by the transferor—you certainly can't; you are

getting a mix now. You are going to have to segregate out somehow or other how to fill out the affidavit. Don't you think there is a problem connected with this?

Hon. Mr. Meen: Well, subsection (e) was broadened by giving the benefit of the portion which hadn't been in the section before. I don't think there is any problem. Affidavits that were sworn prior to that presumably were relating to the whole of the residence, and now under (e) it permits the apportionment. There is no problem under sub 3 of 5 with respect to that particular subsection.

Mr. Lawlor: Well, as your original bill came in, upon which this affidavit was drafted, the thing was clear, pellucid, no problem. It simply referred to principal residence. Having sub-added an exemption, and if you or my client would fall under that particular exemption and have a partially rented premises, I simply can't appeal any longer to 4(e), that is for sure. I wonder if I can mention 4(e) at all in this regard since it contains a number of features which would seem to me to confuse the issue. If it were simply principal residence, you would say so. But if you have a tenant under this particular regard, you say 4(e), but not exempt because falling within your addendum.

I think you have got problems trying to make up this affidavit and to submit it, not if it is a principal residence. I agree with you there; that is clear, you just fill it in. I am sorry, maybe you do there too with respect to the crunch in the altered (e) subclause, but certainly if they happen to have any tenants in that regard of course you can't use the affidavit at all. You are going to have to go down and get a clearance from you I guess. That is the only way you can operate.

Mr. Chairman: Shall section 3 stand as part of the bill? The member for High Park.

Mr. Shulman: Well, I just wanted to look into this section a little bit because sections that invite people to become crooks are always intriguing to me. And if ever I saw a section that invited everyone to become dishonest, this is surely it.

Let's suppose my name is Hugo Fidinam and I live in Lugano, Switzerland, and I have invested some millions of dollars here in Ontario in balmier days in apartment houses. Let's suppose I own a great big apartment house near Bay and College, we'll say, just below College on Bay. And let's suppose I suddenly read the news coming out of Queen's Park and I realize that the situation for investment isn't quite so hot over there any more. In fact, it is becoming positively unfriendly.

I think it is time to get out. Around about Jan. 1, 1975, the housing market unfreezes a bit and I find a foolish buyer is willing to buy my apartment house and I say, "My goodness gracious, I am going to have to pay half a million dollars in tax to that ungrateful government who don't even consider all I have done for them." Don't leave, Mr. Minister.

Mr. Lawlor: He is going to Lugano, Switzerland, to talk it over.

Mr. Shulman: Is Fidinam here? Are you going to ask him if he is really going to do that? We are losing the minister, Mr. Chairman. Do something. If he loses us our quorum —if he causes the quorum to break—I think I had better—

Mr. Morrow: We are listening.

Mr. Shulman: Yes, but you are not going to be able to answer me. If you promise to answer I will continue, okay? All right, the former Speaker is going to promise to answer.

Let's suppose good old Hugo over in Lugano—I hope I don't have to repeat all this tomorrow—swears an affidavit saying that apartment house is his principal residence. According to this section there is not going to be any tax payable. What are you going to do about that?

Mr. Morrow: He would not have to pay a tax.

Mr. Shulman: The hon. member would not have him pay any tax? Okay. I am glad that the former Speaker agrees with me that there is a massive loophole in this bill. Oh, here he comes. Here comes the minister again. In his absence I hate to tell him what happened.

Mr. J. M. Turner (Peterborough): Go ahead. Tell him.

Mr. Shulman: I hate to say this, but the former Speaker of the House chose to answer and I don't think the minister is going to like his answer very much. I will recapitulate the facts, because you may have a different answer.

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Let him read it tomorrow.

Mr. Shulman: Yes, you should read it in Hansard tomorrow. If you had been here you would have heard it.

The situation is this: Hugo Fidinam, whose home is at 23 Plattsdam in Lugano, which is just across the border from Italy in Switzerland, owned this apartment building which he bought when he thought all was well in this province. It is over on Bay St. He has decided, looking at the news coming out of here, that things aren't so hot in Ontario any more for speculators—in fact they are not so hot for anybody in the real estate field, but especially foreign speculators—and that it is time to get out. He searches around and finally finds a buyer.

Things aren't quite so good but he does find a buyer. Let's say a year from now the deal goes through and he realizes that because of inflation and all of these other problems—because of the housing shortage and the apartment shortage that you have managed to produce by that time—prices are going to be very high for apartment houses. He realizes if he sells he is going to pay half a million dollars in tax to you people.

He says: "Those ungrateful Tories, after all we did for them, it really isn't right we should give them this additional donation." So instead of that he writes a little affidavit from Lugano as the owner, and says "I, Hugo Fidinam"—how is it worded here?—"swear the special lien confirmed by this Act does not apply because this is my principal residence."

You yourself have said that when that type of paper comes in there is no way that all your law-student assistants, assessors and various other minions have any possibility of checking them all. This is going to be part of the 95 per cent. That is going to be automatically rubber-stamped and that is going to go through and about four years later or maybe four months later or maybe four minutes later you are going to discover that you have been had. Somebody is going to get up on this side of the House and say Fidinam did you again. You are going to say "Well, that dirty fellow. We are going to get the tax out of him." Perhaps you could send a cabinet minister over to Lugano and say, "Fella, please give us the tax. We would like to have that half a million dollars." And he is going to say, "Come on over here and get it."

This is just an open invitation for every foreign owner of real estate in this province to defraud the government. Why shouldn't they? A bill drawn up so badly—they are over there—you have no legal recourse. They don't want to invest in this province ever again anyway. What is to stop them from getting out, giving you your affidavit and that is the end of it and there is nothing you can do?

Hon. Mr. Meen: Mr. Chairman, I find it incredible that a member of this Legislature who has had a hand in the framing of quite a number of bills in the last few years, since he was elected on Oct. 17, 1967, should suggest that somebody, simply because a piece of legislation didn't agree with him, should openly flout it, swear a false affidavit, presumably in collusion with a purchaser. If that were the case, even the purchaser would be caught with the lien. I am astonished; I am just plain—

Mr. Shulman: How, how?

Hon. Mr. Meen: Take a look at section 6, for goodness' sake.

Mr. Shulman: I have.

Hon. Mr. Meen: I am astonished that a member of this House would suggest that a false affidavit would be an appropriate way to defeat this bill.

Mr. Lawlor: Oh, mollycoddling! Don't go sanctimonious on us. Crocodile tears!

Hon. Mr. Meen: It leaves me speechless that somebody should say that, even the member for High Park. I would suggest that all this does—

Mr. Shulman: On a point of privilege, Mr. Chairman, we know the minister is having some difficulty in understanding what we are saying on this side. We expect him to pay a little bit of attention. What I said was not that anyone should do it, but that many foreigners would do it. Please pay attention. Don't walk out in the middle of my speeches and then come back and say I said something else.

Mr. Chairman: Order, please. That is no point of personal privilege.

Hon. Mr. Meen: Any provision for an affidavit could be suggested by the hon. member for High Park to be an open invitation to a fraudulent affidavit, but I suggest to him that that is not the case in this country. I think we are entitled to assume that by and large, people will not swear false affidavits.

In any event, this does not wipe out the claims for tax. It merely clears the title so that a purchaser, accepting an affidavit, just

indeed as that purchaser accepts an affidavit sworn by the transferor in a conventional transaction. Let's say he is an unmarried man, and therefore there is no dower attachment in the title. Purchasers accept that too, but the hon. member for High Park would suggest that that is an open invitation under the Registry Act for unscrupulous husbands to convey their properties away and defeat the dower interest of their wives.

Mr. Shulman: Don't you think they do it all the time? Is the minister suggesting that doesn't happen?

Hon. Mr. Meen: But the fact is that in this instance we are saying that the purchaser who takes title without notice of any defect in this, together with an affidavit sworn under this section, can take title free of the lien. The lien does not attach. He takes it free and clear, provided he is not in a collusive arrangement with the vendor, which is provided for in the next section 6, which we will get to eventually. But there is no lien; it does not wipe out the claim for the tax.

Mr. Bullbrook: It doesn't wipe out the claim for the lien either.

Hon. Mr. Meen: In this hypothetical case of Hugo Fidinam, if Fidinam has other assets that are exigible, then the tax would be recoverable or exigible against those other assets here in Ontario—and I presume in that instance there are certain other assets of the gentleman.

Mr. Shulman: Mr. Chairman, I presume the minister hasn't read the bill. He said if we look at section 6, that problem will be solved. Section 6 does nothing. As far as the vendor goes, all it says—and we shouldn't be jumping ahead of ourselves—the argument he has brought in here—and I read section 6, which is very brief:

> Where the result of one or more sales, exchanges, declarations of trust, or other transactions of any kind whatever is that a transferor has disposed of property under circumstances such that he may reasonably be considered to have artificially or unduly reduced the amount of the taxable value of designated land that he has disposed of, the taxable value shall be computed as if such reduction has not occurred.

It doesn't say a word about the purchaser being responsible. Has the minister misinterpreted that section too? Is he really suggesting that section suggests that the government could then go after the purchaser of that apartment house. Is he really suggesting that?

Mr. Chairman: Subsection 3.

Mr. Shulman: No, wait a minute. I asked a question.

Hon. Mr. Meen: Wait until we get to section 6.

Mr. Shulman: The minister brought up section 6, not me.

Mr. Chairman: We are not really discussing section 6.

Mr. Shulman: The minister said section 6 covers this subsection.

Mr. Bullbrook: Why don't you let the member debate the argument on section 6?

Mr. Chairman: We are not debating section 6.

Mr. Shulman: The minister can't get up and give an answer that something is covered in section 6 when it is not covered in section 6. What kind of nut house is this?

Mr. Gilbertson: You are making it a nut house.

Mr. Bullbrook: The minister brings up the argument about section 6, and he talks about section 6 as—

Mr. Shulman: Mr. Chairman, I appeal to your common sense.

Mr. Lawlor: That is dangerous.

Mr. T. P. Reid (Rainy River): Try something else.

Mr. Shulman: Will the chairman reconsider his ruling? Will the minister reconsider everything?

Mr. Chairman: Section 6 is not on debate. It is indicated, according to my hearing, and I think it is correct, that your question could be answered under section 6.

Mr. Shulman: Well, are you going to suggest that we have to come to section 6 before we discuss this, which has nothing at all to do with section 6?

Mr. Chairman: Shall subsection 3 stand as a part of the bill?

Mr. Shulman: Mr. Chairman, let's come back to the first principles. I am sorry the minister got so upset, but he has had a bad

day. He has had a bad year. He is going to have a worse year before we have finished.

Let's come back again. I'll now take the example the minister took—and I presume I am out of order, because we were discussing another bill entirely; and this is husbands who transfer things into other people's names. I won't even say which member it was on his side. I don't want to embarrass him. But someone sitting not very far from him was pointing to himself when he was talking about transferring assets. Of course, husbands do that all the time. Doesn't the minister know about that?

Hon. Mr. Clement: I was pointing at the hon. member for Waterloo North.

Mr. Shulman: Sorry. I misunderstood your comment. You know, any lawyer in this House who has practised must be aware that when you set up a section that invites people to commit fraud, they will commit it. There may be one or two angels who will not. There may be a few others who are afraid they are going to get caught. But those who don't care about getting caught, and that includes all the foreign owners, of course they are going to do it.

And don't come back and say, "I am telling them to do it." They know what they have to do to defeat the dumb provisions of this bill—and they will do it. This is set up foolishly. And you can't pass it off by taking your high moralistic tone and saying, "The member for High Park is giving people bad ideas."

Mr. Lawlor: That was a bad tactic.

An hon. member: Well, we already know about it.

Mr. Shulman: Are you suggesting that Hugo Fidinam isn't going to know how to defraud the government? He has enough experience.

Mr. R. F. Nixon: Hugo has been making out fairly well around here.

Mr. Shulman: He may have to—to make sure they don't look for a while—he may have to give a little donation.

Mr. Lawlor: Hugo is one of the most important men in this assembly.

Mr. Shulman: Now I am telling you, Mr. Minister, that there will not be a foreign owner of land—and they will clear out of here—who will pay this tax. They will get their little secretary, who has an $80 a week job down in Lugano, to write out a false affidavit. That little secretary isn't under your jurisdiction, anyway. It is going to be wholesale fraud—and you are inviting wholesale fraud. You can't pass this off by saying it is all my fault, because somehow I think I had very little to do with drawing up this section.

Now, I suggest in a more friendly tone, Mr. Minister—and I give this as my gift to the minister—I hate to see a bill that is entirely bad, subsection by subsection. Let's have one subsection of one section done right, just to confound our lawyers—so they can't hold that bill up and say: "It's all wrong."

This way, if you get this one right, I'll get up and defend you. I'll say: "He did one subsection right so I don't want my friend condemned as having a bill that is totally wrong." Let's get one subsection correct.

Mr. Chairman—and I give this only from the generosity of my heart and my friendliness to the minister and our long, pleasant acquaintance over the years; which I hate to see going down the drain. Now, obviously, the only persons who can be allowed the use of subsection 3—and it is obvious to me; and if the minister thinks about it, it will be obvious to him—are residents of this province. Will the minister agree with me on that? The minister has had a stroke.

Hon. Mr. Meen: No, the subsection is certainly intended to free the lien in virtually all the cases, in as much that we have spelled out a number of exemptions. This should make it a fairly easy matter for most of the legitimate transactions to flow through; and most, by our estimation, anyway, can be cleared simply by the affidavit anticipated under the Act.

Mr. Shulman: The minister didn't hear my question. He was in a catatonic state. Let's try again. I suggest to the minister the section is essential, because this will clear 95 per cent, you say. Actually, it is much lower. It will clear a very large percentage of the cases. But obviously, it cannot be allowed to apply if the vendor is not a resident of this province, for the simple reason is you will never collect the tax.

Now, the suggestion I make to the minister again—I say to him that if he didn't understand me before, I'll do it very, very slowly—I suggest to the minister he must amend this subsection so it only applies to residents of this province. You see, residents of the province you can still catch. We are

here. If we commit a fraud, you have other ways of getting at us. If we put out a false affidavit, you can charge us with something or other. If we get away with some tax we didn't pay, you can come back and grab our other assets. But if our name is Hugo Fidinam and we live in Lugano, you can't.

So I suggest to the minister—in the most friendly way—do one section right. Why should they get up at the next bar convention and say, "He did every section wrong"? Add a few words at the end of the section saying, "This subsection only applies to residents of this province, those who have their principal residence in this province." Will the minister consider this gift from me? I really feel that way on the subject.

Hon. Mr. Meen: Mr. Chairman, that's an interesting thought. I don't know whether it's practical to add it in right here, or indeed if it is practical at all, because it would change the general mechanism, I suspect, but let me reflect on that for a minute or so.

I don't think that it needs to be in subsection 3. One could have a saving provision anywhere, I would suppose, in this Act, that would apply to that—and I'm thinking out loud again—as to whether that will throw a proverbial monkey wrench into a lot of these transactions we would like to see go through reasonably smoothly. The non-resident vendor of any real estate would have to then submit his deed and other papers to the ministry for vetting, whether the transaction fell under the general area we contemplated or not.

Mr. Lawlor: That's right. That would be a good move.

Hon. Mr. Meen: I'd like to ruminate on that, Mr. Chairman. What we might do, if the hon. members wish, would be to leave paragraph 3 until tomorrow and we could go on with sub-paragraph 4 while I cogitate on whether there is some merit to the hon. member's suggestion.

Mr. Shulman: Mr. Chairman, I am struck dumb. This is the first suggestion he's even been willing to cogitate upon. I am overwhelmed with the moderation—

Hon. Mr. Meen: Don't lay it on too thick.

Mr. Shulman: —but perhaps tomorrow he'll turn it down and restore my faith in the government.

Hon. Mr. Clement: Quit while you are ahead.

Mr. Chairman: Subsection 3 then, is it stood down?

Mr. Lawlor: Mr. Chairman, I would ask for your indulgence and that of the minister on just a couple of points under 3, which go to some degree in the clarification of this. I incidentally thought, with the pillorying you are taking in this particular matter, wouldn't it be a wise idea for you to apply for a much easier ministry, like the Ministry of Labour, and get yourself off this bed of nails?

Mr. Shulman: Health would even be better.

Mr. Lawlor: I am sure you have your application in, Mr. Minister.

What I would like to know is, and I would like your considered opinion on this, if a deal such as the member for High Park put to you was going through, what in your opinion is the obligation of the solicitor acting on behalf of the purchaser of that building? He knows it's an apartment building and he knows it can't be a principal residence, having a diversity of other residents.

If, through some reason or other, the matter gets into your department and a certificate is granted, and if he is handed a certificate or it's placed on the deed or on title or wherever it's placed, he is not going to question it. He's happy to have the certificate. But if the affidavit is presented to him on closing, he is going to ask, "How can you possibly make up an affidavit of this kind?"

Is he under an obligation at that stage to question, to hold back, to renege, to refuse to close? I'm not just talking about a moral obligation, I am talking about an obligation in law, and I ask for your opinion under the terms of this section.

Hon. Mr. Meen: Well, put yourself in the position of the solicitor acting for the purchaser of an apartment building. One of the things you'd have in front of you would be an offer to purchase that recited that there were 48 apartment suites, let's say, in that apartment building, their average rental was $235 a month, the Hydro bills averaged so much monthly, the taxes were so much and the insurance rates so much, all the usual things that you would see in an agreement of purchase and sale. Furthermore, before you closed, if you weren't buying the shares to the company but rather taking the deed of conveyance to the real estate, you'd be insisting that the vendor's solicitor provide you with notices to all the tenants of the sale of the property and the assignment of the leases—

Mr. Lawlor: I am sorry, Mr. Minister, we know all this.

Hon. Mr. Meen: You can see all this, so what I am coming to is—and I have listened very attentively to the hon. member for Lakeshore—you can paint a picture where it is virtually inevitable that the solicitor for the purchaser knows full well, as does his client, that the affidavit attached to the deed that says, "This is the principal residence" is a false affidavit.

Mr. Lawlor: What is his responsibility?

Hon. Mr. Meen: I would say in that case then that a lien would still attach. No, excuse me, the lien, I think, is gone by the nature of the affidavit, but the moneys would be recoverable against the purchaser just as though he had been the vendor. I think that's the way that would work in that set of collusive circumstances.

Mr. Shulman: Perhaps we could pursue this a little further. The example I took was of course a far-fetched one, to make it obvious how foolish the whole thing was. Let's suppose instead of being an apartment house on Bay St., it's one of the big rooming houses on Russell Hill Rd., which is not quite so obvious. How in the world is the solicitor to be aware, and if he has suspicions, is it his responsibility to play detective?

Hon. Mr. Meen: It comes a question of fact again. What are the representations made? Is he or is he not and is the purchaser or is the purchaser not in collusion with the vendor on this matter, Mr. Chairman?

Mr. Shulman: Boy, that is going to be a tough one to prove.

Mr. Chairman: Subsection 3 is set down until tomorrow. Are there any comments, questions or amendments on subsection 4?

Mr. Shulman: Do you want to go into that now?

Mr. Chairman: If there is going to be a lengthy discussion, it is hardly worth while getting started.

Mr. Shulman: It won't be more than half an hour.

Mr. J. R. Breithaupt (Kitchener): Mr. Chairman, I think at this particular point it is time for the committee to rise and report, if the minister were so minded.

Hon. Mr. Meen: No, I think we have three minutes we can usefully use.

Mr. Deans: We actually don't because the House has to rise at 10:30, so the committee must rise and report before 10:30.

Mr. Chairman: The member for High Park.

Mr. Shulman: I'm perfectly willing to begin. In subsection 4 it says, in case you are going to grab the property under this section, you have to send out registered letters to everybody in sight who has an encumbrance. What I don't understand, after reading down the very subsections that follow, is what in the world is the use of the registered letters? The only way the person receiving the registered letter can do anything about it is by paying the lien. Having paid the lien, that doesn't give him a first call. All that does is add to his call whatever it is. It may be a third call, a fourth call or a fifth call.

It's obvious you've made an error in this section. Every bill can't be perfect. You've made one little error here. Perhaps we should fix up this error, Mr. Chairman. Would the minister care to comment on that?

Hon. Mr. Meen: Mr. Chairman, I don't think there is an error in subsection 4, section 5. That's simply a requirement which we've inserted in this bill, that notice go to the owner and all others with any apparent interest in the land before any such process is begun under the other subsections, with the authority in the subsequent sections for the sheriff to sell pursuant to warrant, and then the other sections deal with the proceeds of the sale and so on.

Section 4 just makes sure that anyone with an apparent interest in the title is advised of the process that's under way.

Mr. Shulman: That's very kind of you to advise them, Mr. Chairman. But what's the point of advising them if they can't do anything about it? Obviously, you are advising them for some purpose. I presume it's for more than a make-work reason. Or do you want them to come to the sale to watch their property disappear?

If you are advising them, you are advising them so they can protect their interest. The only way they can protect their interest is paying off the lien. If they pay off the lien, they should get priority as far as that amount goes, and you are not giving them that.

Hon. Mr. Meen: Indeed, if they paid off the lien, the Crown exerts no priority. It has

been paid and so then they have their usual remedy.

I move that the committee rise and report, Mr. Chairman.

Mr. Shulman: I'm right in the middle of my argument. You always cut me off.

Mr. Chairman: Order, please.

Hon. Mr. Meen moves the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports progress and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, before I move the adjournment of the House I would like to say that tomorrow we will proceed with the consideration of this bill. Inasmuch as the Ministry of Natural Resources has concluded its estimates this evening, I will call the estimates of the Ministry of Colleges and Universities in the standing committee.

Mr. I. Deans (Wentworth): May I just ask one question please? Is it still the intention of the government to proceed with Treasury in the House at some point in the near future or does the House leader intend to revert back to Agriculture?

Hon. Mr. Winkler: No. If one could look far enough ahead, I would say that for the next ministry in the House I will revert to the previous one and call the Minister of Agriculture and Food (Mr. Stewart).

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 o'clock p.m.

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No. 61



Legislature of Ontario Debates

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Tuesday, May 28, 1974

Afternoon Session

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Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, MAY 28, 1974

The House met at 2 o'clock, p.m.

Prayers.

Mr. J. Lane (Algoma-Manitoulin): Mr. Speaker, I would like to introduce to you and the members of this House, 60 grade 8 students from Elliot Lake. Mr. Maloney and five other adults are in charge of this group; they are seated in the east gallery. Could we extend our welcome to them at this time?

Mr. B. Gilbertson (Algoma): Mr. Speaker, I would like to introduce to the House, 30 students from the great riding of Algoma, from Prince Township Public School. The person in charge is Mr. L. Cowell.

Mr. E. J. Bounsall (Windsor West): Mr. Speaker, it is my pleasure to introduce to the House today 27 students from General Brock School along with three of their teachers under the direction of Mr. Ken Vickers from the city of Windsor. I hope that you, sir, and the Legislature will give them a warm welcome.

Mr. Speaker: Statements by the ministry.

LAND PURCHASES IN HALDIMAND-NORFOLK

Hon. J. White (Treasurer and Minister of Intergovernmental Affairs): Mr. Speaker, yesterday the suggestion was made to me that the documentary information relating to the average cost per acre, and the documentary evidence concerning the consortium's expenses on the assembly might be made public, and I agreed to that suggestion.

My officials informed me today that in fairness to the individual concerned these figures should be aggregated, and Clarkson Gordon has been asked to do that. I will be tabling that information on Thursday.

Mr. D. M. Deacon (York Centre): The Treasurer sure bailed them out.

Mr. V. M. Singer (Downsview): I'm glad the Treasurer can consult Clarkson Gordon. Why doesn't he get the Minister of Revenue (Mr. Meen) to consult them?

Hon. Mr. White: We aren't consulting them at all. What is the member talking about?

Mr. Singer: Clarkson Gordon, yes.

Mr. Speaker: Oral questions. The hon. Leader of the Opposition.

HOUSING PROGRAMMES

Mr. R. F. Nixon (Leader of the Opposition): Thank you, Mr. Speaker. I'd like to ask the Minister of Housing if he can now announce to the House which municipalities and which developers have indicated formally to him or his ministry officials that they will participate in the housing action programme at either of the levels which had been announced over a number of weeks and which were collated in the presentation yesterday.

Hon. S. B. Handleman (Minister of Housing): Mr. Speaker, some developers have formally agreed and some municipalities have formally agreed. Our problem is to try to get developers and municipalities together with formal agreements. We certainly hope to have that. I expect to be making an announcement on that as soon as we possibly can. We don't want to fragment the programme. There will be a number of announcements made at the same time.

Mr. R. F. Nixon: Supplementary: Would the minister confirm to the House that he has some formal agreements? Or is the rumour factual that none of the municipalities has accepted the housing action programme in its present form, because of the problems they foresee in coming under the jurisdiction of the programme the minister has enunciated?

Hon. Mr. Handleman: No, Mr. Speaker. Of course it would be a definition of what is a formal agreement. We had some resolutions of councils which have agreed in principle with the housing action programme. However, we will not sit down and sign formal agreements with municipalities until we have the developers in those particular municipalities also formally agreed. It will be a three-

way arrangement. We must get all three parties to the table at the same time.

Mr. I. Deans (Wentworth): Supplementary: Could the minister indicate what stage they have reached in trying to get agreements between developers and municipalities on Ontario Housing Corp.? Are we within a week, within a month or within a year of getting one off the ground?

Hon. Mr. Handleman: Mr. Speaker, we are within, I would say, 10 days to two weeks of having a number of formal agreements formally signed. As I've said before, I believe the municipalities should have the privilege of actually entering into the formal agreement first before it is announced anywhere else.

HOUSING STARTS

Mr. R. F. Nixon: I have a further question of the same minister, Mr. Speaker. Since his announcement yesterday indicated that about $680 million will be channelled from all levels of government into the housing programme here in this province, can he explain why we are going to achieve only the same number of starts if we achieve the optimistic goal that the minister has put before us? And can he explain why Mr. Kirkup, whom he frequently quotes when Mr. Kirkup tends to agree with him, has predicted there will be a 30 per cent decrease in these starts in spite of the minister's best but ineffectual efforts?

Hon. Mr. Handleman: Mr. Speaker, I would like to enter into a pact with the Leader of the Opposition: If he won't quote Mr. Kirkup I won't quote Mr. Kirkup.

Mr. R. F. Nixon: I find him more quotable this week than he was last.

Hon. Mr. Handleman: We can quote Mr. Kirkup on almost anything and sometimes those questions are diametrically opposed to each other. All I can say on Mr. Kirkup's most recent statement—

Interjection by an hon. member.

Hon. Mr. Handleman: —is that obviously he didn't take into account this massive intervention by governments at all levels in the housing market. Any forecast he might be making with regard to starts completely ignores the massively increased government intervention in the housing programmes of Ontario.

Mr. R. F. Nixon: A supplementary: Since there are these large numbers of dollars actually directed by this ministry, how can the minister justify the small allocation to those groups in the lower income levels of our community, since the minister's own statement indicates a very large share—the lion's share by far—is going to the moderate and upper income levels?

Mr. Deans: By the minister's definition.

Mr. R. F. Nixon: Surely there has to be a statement of policy from the minister or the Premier (Mr. Davis) to justify what is essentially an unacceptable concept in that regard?

Hon. Mr. Handleman: Mr. Speaker, I don't accept for one minute that the government intervention in Ontario is not directed at the lower and moderate income groups. In fact all of it is. We are more than tripling the total government intervention in terms of output over last year—

Mr. R. F. Nixon: In comparison with the total thrust it is a very small proportion.

Hon. Mr. Handleman: —and more than doubling the amount of intervention for the low income group.

Mr. Deans: A supplementary: At what point is the minister going to recognize that the middle income in Ontario is not $14,000 to $20,000? The middle income is somewhere between $8,000 and $10,000. When is the minister going to gear a programme which will satisfy the needs of the 60 per cent of the population which falls within the income groups of $6,000 to $10,000?

Hon. Mr. Handleman: The member's own leader used the figure of 60 per cent below the figure of $14,500 and that is what our programme is geared to.

Mr. Deans: It isn't!

Hon. Mr. Handleman: Certainly all of our programmes are geared to what we consider to be the low and moderate income groups. I haven't used the words middle income group, the member used that term.

Mr. Deans: All right, moderate income.

Hon. Mr. Handleman: The average income in Ontario is approximately $11,000 and that fits right into the group we are trying to serve with our programmes.

Mr. Deans: A supplementary: Surely—

Mr. Speaker: The member for St. George.

Mr. J. A. Renwick (Riverdale): What is the median average?

Mr. Deans: Eighty-seven hundred.

Mrs. M. Campbell (St. George): Mr. Speaker, to the minister, in the provision of low income housing units I understand that 2,000 units of public housing are to be provided in 1974. Is that a misprint? Is that just for Metropolitan Toronto or is it for the whole province?

Hon. Mr. Handleman: Mr. Speaker, I would like to sit down with the member—I will probably have that opportunity during the examination of my estimates—because the figure of 2,000 she attributes to low income housing is simply incorrect. If she will look at page 40 of the statement yesterday, she will see the figure of 2,000; then there is community sponsored housing, rent supplements and senior citizens' housing, all of which fits into the low income group.

Mrs. Campbell: Mr. Speaker, excuse me, but on that point, I asked specifically about the 2,000 units of public housing. I was not talking about 500 units of integrated housing, 500 of community housing or the rent supplements. Is it a fact that 2,000 units of public housing is what is provided, and is that for Metropolitan Toronto or is it for the province?

Hon. Mr. Handleman: Mr. Speaker, there are considerably more than 2,000 units on page 40; if the member will simply examine them there are well over 2,000. Without adding up the figures, because I don't want to play the numbers game—

Mr. J. R. Breithaupt (Kitchener): For the whole province?

Hon. Mr. Handleman: —there would be at least 19,000 units this year in which the Province of Ontario will have direct intervention and full financing.

Mr. J. E. Bullbrook (Sarnia): That is not what the member asked.

Mrs. Campbell: That is not what I asked. The minister can never answer a simple question.

Mr. Speaker: The Leader of the Opposition.

POLICE RAID ON HOTEL

Mr. R. F. Nixon: I have a question of the Solicitor General, now that further information is available on the police raids at the Landmark Motor Inn in Fort Erie. Is he prepared to order an inquiry by a judge or by the Ontario Police Commission into the circumstances of the raid that was brought to the attention of the House yesterday by my colleague, the member for Downsview; and further to that is he prepared to direct the police forces of the province, in his capacity I presume as the chief enforcement officer, as to the acceptable procedures that must be followed in circumstances so that such a matter will not reoccur?

Hon. G. A. Kerr (Solicitor General): First of all, Mr. Speaker, complete information has not been received by either myself or the Ontario Police Commission as far as this particular raid is concerned. There is some information in today's newspaper. There still isn't enough information as to why the raid was conducted; or what cause or reasonable and probable cause or grounds existed to conduct that raid, and other information as to why a raid of this size was conducted on this particular motel.

I have asked for a full report. I expect, as I said yesterday, to have that this week. My preliminary information is that there were previous occasions when this particular facility did have people trafficking or using drugs of various kinds—

Mr. Singer: Did they arrest them? Convict them?

Mr. Bullbrook: Were there convictions?

Hon. Mr. Kerr: This whole area along this part of the peninsula, where people cross the border from New York State, is an area that is of some concern from the point of trafficking in drugs. So my preliminary information, Mr. Speaker—

Mr. Singer: That John Clement is a bad fellow, he comes from the Niagara Peninsula, he should not have been let in the House.

Hon. Mr. Kerr: —is that a raid was justified. Whether a raid of that size was justified is something that I will find out.

I will also find out whether or not—as reported in today's papers—there was a misuse of police power in any respect as far as the search was concerned. Now the police had a warrant. They had every reason, I understand, to suspect there were drugs within that particular motel, and, therefore, that suspicion would justify the raid.

Mr. A. J. Roy (Ottawa East): Terrible, terrible. Drugs!

Mr. Singer: The police searched 150 people.

Mr. R. F. Nixon: Supplementary: Since there is such a great deal of public concern over this matter, would the minister not agree there must be a public inquiry, rather than just something emanating from his own office?

Hon. Mr. Kerr: Mr. Speaker, I don't agree there is a great deal of public concern.

Mr. R. F. Nixon: There is though.

Mr. Singer: There certainly is.

Hon. Mr. Kerr: The fact is, Mr. Speaker, that this matter was raised yesterday—which is about two weeks after the raid took place.

Mr. Singer: That's right.

Hon. Mr. Kerr: None of the people who were involved or searched by the police complained in any way to either the police—

Mr. Singer: Oh come on.

Hon. Mr. Kerr: —to the OPC or to myself, or any of the local municipal councils in the area.

Mr. Singer: What started the minister's investigation?

Hon. Mr. Kerr: So what one reads in today's paper doesn't necessarily reflect public concern. There is a great deal of public concern about the use and trafficking of drugs in this province.

Mr. Singer: Mr. Speaker, by way of supplementary—

Mr. Speaker: The hon. member for Wentworth.

Mr. Deans: Supplementary, if I may, Mr. Speaker. Doesn't the Solicitor General find it odd that the deputy police chief of the area would have no prior knowledge of the raid, wouldn't have read the report of the raid and would have claimed at the point of the interview—which I assume was within the last two or three days—that he hadn't yet acquainted himself with the details? And can the Solicitor General inform the House as to who it was that issued the warrant permitting this kind of raid to take place?

Hon. Mr. Kerr: As far as the latter part of the question is concerned, Mr. Speaker, that's the type of information I have asked for.

Mr. Deans: Well surely that is simple—

Hon. Mr. Kerr: Now as far as the deputy chief of police is concerned, I can understand that he probably wouldn't be aware of this particular raid.

Mr. Deans: Wouldn't be aware?

Hon. Mr. Kerr: If it was conducted by a particular squad within the regional police force in conjunction with the RCMP, this is a fairly common occurrence in that area; not necessarily of that size.

Mr. Deans: Fifty men?

Hon. Mr. Kerr: But there are raids conducted on public premises quite frequently in the area of the Niagara Peninsula.

Mr. Deans: With 60 policemen?

Hon. Mr. Kerr: Not of that size; I will agree.

Mr. Singer: No, of course not.

Mr. Deans: Surely a raid of that magnitude would have required some authority.

Hon. Mr. Kerr: Another point I should make is it would appear that the raid was abortive.

Mr. Breithaupt: It must have been a common occurrence.

Mr. Singer: Yes. It happens every day in the Niagara Peninsula.

Hon. Mr. Kerr: It wasn't that successful, shall we say, from the police point of view. Because there wasn't this publicity and because there were no complaints by the people at that point—

Mr. Singer: What started the minister investigating if there were no complaints?

Mr. Breithaupt: What about the deputy?

Mr. Speaker: Order.

Hon. Mr. Kerr: —it is quite possible that the deputy chief wouldn't know.

Mr. Singer: By way of supplementary, Mr. Speaker, could the Solicitor General tell us why he started to investigate if there were no complaints? And does he not believe that the time is now here when there should be some system of dealing with police complaints, other than by having the deputy chief, who doesn't read his reports, or the judge who's on the police commission, who said he never heard anything about it, pretend ignorance? Isn't it about time there was some public presence into the inquiries relating to arbitrary police actions?

Hon. Mr. Kerr: Again, Mr. Speaker, I don't agree there were arbitrary police actions.

Mr. Singer: Oh come on!

Hon. Mr. Kerr: The hon. member really hasn't any more information than I have, and he shouldn't make that statement.

Mr. T. P. Reid (Rainy River): We've got to have more than the minister has.

Mr. Singer: It's just an ordinary every day event where they strip 150 people and search them!

Hon. Mr. Kerr: I was aware as a result of a very small item in a local newspaper—I think it was a weekly—in the area where this raid was conducted. It really didn't say very much; it just indicated the place of the raid and who conducted it.

Mr. Singer: It only took the Globe and the Star a few hours to get many more details than the Solicitor General has been able to get in a few weeks.

Mr. Speaker: Order.

Hon. Mr. Kerr: That was this week. The hon. member is talking about this week.

Mr. Singer: The minister's investigations are not very good.

Hon. Mr. Kerr: I think it's rather significant that it took 10 days or two weeks before this matter reached this Legislature, or before there was any public comment.

Mr. Singer: The only reason the minister is looking at it now is because it reached the Legislature.

Mr. Speaker: Order.

Hon. Mr. Kerr: No, I was aware of it and I asked for this report. I was told I would have to wait 10 days, but I had indicated I was not waiting 10 days for a report.

I would ask that the House wait until I have a full report before hon. members ask for any kind of inquiry, judicial or otherwise.

Mr. Singer: Get the Globe and the Star and their reporters; they can inform the minister more quickly.

Mr. Speaker: There have been five supplementaries which is reasonable.

The hon. Leader of the Opposition.

USE OF STOL AIRCRAFT

Mr. R. F. Nixon: Could I ask the Premier, Mr. Speaker, if he can announce to the House the policy of the government on the utilization of STOL aircraft, now that the government of Canada has bought de Havilland?

Also, since the special committee convened by the Ministry of Transportation and Communications, meeting in secret, is apparently considering a recommendation for two island airports, one of which would use STOL facilities, is this a part of the overall transportation concept that the Premier enjoys so much putting forward in grandiose terms?

Before I sit down I would also like to ask him if he can determine, from his colleague, the Minister of Transportation and Communications (Mr. Rhodes) or some other source, why the minutes of the secret meetings that finally were received by my office were substantially different from the minutes received by the members of the committee itself? In other words, the minutes themselves had been edited and doctored to remove specific pieces of information.

Hon. W. G. Davis (Premier): Mr. Speaker, I haven't seen any minutes so I can't answer that question.

As the question relates to the use of STOL aircraft, the government has encouraged this as a possible area, particularly for the federal government of Canada. I won't comment on the acquisition of de Havilland and Canadair —I might be provoked into commenting— other than to say—

Mr. Singer: Go ahead and comment.

Hon. Mr. Davis: —that I seriously hope the government will continue the development of this kind of potential transportation.

As the question relates to any minutes, Mr. Speaker, I'm not aware of any minutes. I haven't seen any. I haven't seen any report.

Mr. R. F. Nixon: A supplementary: I would like to ask the Premier further about the technological information, through the auspices of the Ministry of Transportation and Communications, recommending two airports. Would he accept his responsibility to see that the transportation studies, and presumably the environmental studies, and the communications with the planning authorities of Metropolitan Toronto and the city of Toronto, are tabled in the Legislature so that we, as members of the Legislature and of the community involved, know what progress has been made and what the policy of the government is in this regard?

Hon. Mr. Davis: Mr. Speaker, I think it's very appropriate to point out that there may be some reports, there may be some discussions. There has been no determination by government as to its policy with respect to the development or non-development of other

airport facilities. I want to make it abundantly clear to the members of the House on all sides that there has been no such determination. Any observations by the research critic or the research analyst for the Liberal Party of the Province of Ontario saying that there is an eleventh-hour situation are just totally ridiculous. It has not come to government in terms of any recommendations or any reports, and I want to make that abundantly clear.

Mr. R. F. Nixon: A supplementary: Is the Premier prepared to be critical of those representatives of the council of Toronto, who were also active on that committee and who have expressed their dismay as well that the government programme has gone so far forward without adequate involvement of the community on a public basis?

Hon. Mr. Davis: Mr. Speaker, I am not prepared to be critical of any representatives from Toronto or Metropolitan Toronto with respect to this issue whatsoever, but I do think it is questionable that somebody who is titled the research analyst, or whatever term that is, of the Liberal Party of the Province of Ontario, endeavours to create the impression that there has been a decision, or very close to it—the eleventh hour, I think, is the terminology—and I just say to the Leader of the Opposition that it is factually not correct.

Mr. Speaker: The hon. member for Wentworth.

Mr. Deans: A supplementary: Can the Premier indicate what factually then is correct? Is the government of Ontario actively working with the federal government to make a proposal for the development of a second airport on the island properties?

Mrs. Campbell: Two airports?

Mr. Deans: A second airport on the island properties.

Secondly, if that is—

Mr. Speaker: The hon. member should ask only one supplementary at a time.

Hon. Mr. Davis: Mr. Speaker, the Minister of Transportation and Communications I am sure will be delighted to deal with this issue on Thursday. He is at a ministers' conference at this precise moment.

I would say to the hon. member for Wentworth there has been no determination with respect to government policy as it relates to a second, third or fifth airport.

Mr. E. Sargent (Huron-Bruce): He doesn't know.

Hon. Mr. Davis: I think it is fair to state, Mr. Speaker—

Mr. Sargent: He admits he doesn't know.

An hon. member: What does the member know?

Hon. Mr. Davis: —and I would like to think others would support this, that if there is some new technology or new ability available for us for the utilization of new types of aircraft for the transportation of people that will solve problems, that we would all have sufficiently open minds that we would be prepared to move ahead with such a programme.

Mr. R. F. Nixon: The Premier's solutions don't seem to be very effective.

Hon. Mr. Davis: What I say to the hon. members, Mr. Speaker, is that there has been no such determination here.

Mr. Speaker: The hon. member for York Centre.

Mr. Deacon: Would the Premier not agree that perhaps openness of hearings at this time, where the need can be divulged and the details and the facts can be made available to the public, would perhaps lead to a more constructive public attitude toward fulfilling that need?

Hon. Mr. Davis: Mr. Speaker, I think I would agree with the hon. member to this extent, that if there is some thought and some serious proposal as it relates to another facility for the landing of STOL aircraft or others, certainly there would have to be public involvement and public discussion.

I would only say to the hon. member for York Centre that we haven't reached that point, and I don't know that we ever will as it relates to the island. I think it is fair to state, and I am really hopeful that the federal government will show some very genuine initiative with respect to this, not only as it relates to transportation here but the potential export market that exists.

I think we are just two or three years late in doing this, very frankly. I think it is something the federal government, with their involvement in the aircraft industry, should have rationalized several years ago. I make no bones about it.

Interjections by hon. members.

Mr. Speaker: Order. The hon. member for Wentworth wanted to ask a second supplementary.

Hon. Mr. Davis: Well, I tell the Leader of the Opposition, if the Liberal government of the day had built the Jetliner instead of the Arrow we would be much better off.

Mr. Reid: It got cut off.

Mr. Roy: That was Diefenbaker that cut it off.

Mr. Speaker: Order. Did the hon. Leader of the Opposition have a supplementary?

Hon. Mr. Davis: It was C. D. Howe.

An hon. member: Oh come on.

Mr. Roy: The Premier has a poor sense of history.

Mr. Speaker: Order. If not, the hon. member for Grey-Bruce has a supplementary.

Mr. J. F. Foulds (Port Arthur): It was "C. D." Diefenbaker.

Hon. Mr. Davis: The man who stopped the Jetliner? The member is wrong.

Mr. Speaker: The hon. member for Grey-Bruce has a supplementary.

Mr. Sargent: Has the Premier flown over to see what is going on down there? They are building it now, does he know that?

Hon. Mr. Davis: Mr. Speaker, I am always pleased to hear information from the hon. member for Grey-Bruce; he is so well informed on all these major issues. Yes, I have—perhaps not as often as he has—flown over that area. Although not an expert, I would still question from what I have seen that anyone is building an airport.

Mr. Speaker: The hon. Leader of the Opposition?

PARK NEAR KOMOKA

Mr. R. F. Nixon: Just briefly, can the Minister of Government Services tell us whether the Komoka properties have now been expropriated; and if so, what is the cost of the properties that were missed out in the acquisition of the parklands in Komoka?

Hon. J. W. Snow (Minister of Government Services): Mr. Speaker, the answer to the first part of the question is yes; and of course the matter of the costs of the properties will in due course, I would expect, be determined by the land compensation board.

Mr. R. F. Nixon: A supplementary: Is there any indication from the minister of what it will cost the taxpayers because the minister and his colleague, the Minister of Natural Resources (Mr. Bernier), somehow missed out on that property when they acquired the park site?

Hon. Mr. Snow: I presume again, Mr. Speaker, that the Leader of the Opposition is referring to the plan of subdivision of 15 lots. I'm not sure this was missed out in any development or in any plan for the park.

Mr. R. F. Nixon: Were the minister and his colleagues leaving it to the others to get that property lined up?

Hon. Mr. Snow: It was an approved plan of subdivision, approved prior to the announcement of the overall boundaries of the park. My ministry carried out negotiations with the owners of that particular land. We were not successful in obtaining the purchase of the land at the appraised value and we have since proceeded to expropriate.

Mr. Speaker: Does the Leader of the Opposition have further questions?

The hon. member for Wentworth.

GASOLINE PRICES

Mr. Deans: Thank you, Mr. Speaker. I have a question of the Premier. Does the Premier feel, now that the gasoline price situation has stabilized and it's clear to all of us that tremendous additional costs will have to be borne by Ontario residents, that it might be appropriate that he indicate government policy with regard to some form of subsidy or cushioning action by this government with regard to the tremendous costs which will have to be borne?

Hon. Mr. Davis: I think it is fair to state—

Mr. Roy: Let him tell us he won't make any more mistakes.

Hon. Mr. Davis: —we have discussed this issue on a number of occasions and, as I have said before—and I believe the provincial Treasurer has said—we do not contemplate reducing our gasoline tax as it relates to the sale of gasoline in this province.

Hon. Mr. White: Let the federal government knock off its tax. It created the problem.

Mr. Roy: Who made the mistake?

Mr. Deans: Let me ask the Premier this supplementary question: Given that the Treasurer believes the federal government should knock off its tax how can the Premier come to the conclusion that—

Hon. Mr. White: Let the federal government knock if off.

Mr. Deans: —if it is proper for the federal government to reduce its tax it's improper for the provincial government to do likewise in order to ease the cost on the consumers in Ontario?

Hon. Mr. Davis: I think the answer to that is very simple, Mr. Speaker. If the member for Wentworth would study it very carefully he would recognize the federal government, through the export tax, is the recipient of substantially increased revenues. Some of these revenues are now being used by our sister provinces with the programme of subsidization and I think it has to be national if it's to be done on that basis.

Mr. Deans: I have a question of the Attorney General, Mr. Speaker.

Mr. Bullbrook: He has to be here.

Mr. Deans: Now that he's here.

Mr. R. F. Nixon: He is here.

COMMENTS BY JUDGE DNIEPER

Mr. Deans: It certainly is a pleasure to see him. Does the Attorney General concur with the views of Judge Dnieper who stated yesterday that moral law is the most dangerous law in the world? Further, does he agree with the views of Judge Dnieper that moral law was the basis for Nazi persecution of the Jews, when he found three clergymen guilty, of trespassing I believe it was, when picketing at Dominion Stores in Metropolitan Toronto?

Mr. Roy: The minister doesn't know anything about morals.

Hon. R. Welch (Provincial Secretary for Justice and Attorney General): Mr. Speaker, I don't think it would be proper for the Attorney General to comment on a summary—

Mr. Deans: I think it would be very proper.

Hon. Mr. Welch: —of comments which has appeared in the press. I would make it my business to take a look at the statement in its entirety.

Mr. Deans: A supplementary: In the event that the Attorney General finds the comments as reported in the press are reasonably accurate, will the Attorney General offer the benefit of his offices to those clergymen in order that they might properly prepare an appeal against this outlandish and ridiculous decision and statement?

Mr. Roy: The minister can tell him he will talk to the policy secretary.

Hon. Mr. Welch: Mr. Speaker, I am sure the clergy would have access to legal advice as to what their rights are by way of appealing the conviction referred to.

Mr. Roy: Has the minister discussed it with his pastor?

Mr. P. D. Lawlor (Lakeshore): Mr. Speaker, a supplementary: Would the Attorney General consider amending the anachronistic provisions of the Petty Trespass Act, which was designed to protect private homes, etc., in a period long before shopping malls and such commercial outlets as Dominion Stores came into being in this province?

Hon. Mr. Welch: Is the member asking the Attorney General if he would amend the law to exclude commercial properties?

Mr. Lawlor: Would he give consideration to it?

Mr. Renwick: He is asking whether the minister would amend it.

Hon. Mr. Welch: Pardon?

Mr. Lawlor: Would he amend it?

Hon. Mr. Welch: I would be glad to take a look at that.

Mr. Speaker: The member for Wentworth.

Mr. Deans: I have a question of the Premier.

Mr. R. F. Nixon: The Attorney General can leave now.

Mr. M. Shulman (High Park): If only all the ministers were as smart as he is.

WORKMEN'S COMPENSATION BOARD PENSIONS

Mr. Deans: Yesterday, the Minister of Labour (Mr. Guindon) indicated that it was now a matter of government policy, and in the hands of cabinet, to determine whether there would be amendments to the Work-

men's Compensation Act pertaining to benefits to widows and workers on full pension. Is it the intention of the government to bring forward recommendations which will meet the rising cost of living for all of those people and to ensure that what little they got previously will be increased so as to be sufficient in the future to meet their needs?

Hon. Mr. Davis: Mr. Speaker, in answer to that long editorialized question, government policy in this area will be announced in due course.

Interjections by hon. members.

Mr. Deans: Supplementary: To be announced in due course is fine, but for six months now the Minister of Labour has been indicating there would be changes. Will there be changes during the current session of this Legislature in order to meet what are extraordinary costs imposed upon recipients of benefits from the Workmen's Compensation Board, recognizing that the board itself has recommended such changes take place?

Interjections by hon. members.

Hon. Mr. Davis: Mr. Speaker, as I said to the hon. member, and I am sorry I didn't make it more clear and I shall try to do so this time, when government policy is determined it will be made known to the members of this House.

Mr. Deans: That is not going to win for the Minister of Labour.

Mr. Foulds: We thought the change would be made.

Mr. Singer: Mr. Speaker, I have a question.

Mr. Speaker: Order. The hon. member has not completed his questions.

Mr. Singer: Oh, I am sorry.

WOODSTOCK GENERAL HOSPITAL STRIKE

Mr. Deans: One final question, I want to ask the Premier, in the absence of the Minister of Labour, if he can inform the House whether any steps are being taken by the cabinet or the government of Ontario to ensure that those employees at the Woodstock General Hospital, who are currently on strike, who have now gained the support of all of their colleagues and who are being underpaid even by provincial standards, will be given a fair wage as a result of the current negotiations? Will he take steps to ensure that there will be a resolution of the problem as quickly as possible?

Hon. Mr. Davis: Mr. Speaker, I'd like to assure the hon. member that certainly we would hope there would be a resolution to the problem as soon as possible. The Ministry of Labour is keeping a very careful eye on the situation. I discussed it with them as recently as yesterday. Beyond that, I can't make any comment.

Mr. Deans: They are not even watching it.

Mr. Speaker: Does the hon. member for Wentworth have further questions on behalf of his party? If not, the hon. the Minister of Health has the answer to a question asked previously.

SCARBOROUGH HOSPITAL EXPANSION

Hon. F. S. Miller (Minister of Health): Mr. Speaker, the member for High Park yesterday asked me some questions about an addition to Scarborough General Hospital and I was unable to answer them in any definitive way at that point. That means I really didn't know.

Mr. Roy: Somebody else knows; tell us what somebody else knows.

Hon. Mr. Miller: At this point in time the approval has been granted. It had been granted for quite a period of time for an addition to the chronic wing to the hospital, but not for an active treatment expansion. There is no impending approval for an addition to active treatment facilities.

Just for the record, this is being entirely financed by the hospital, not by provincial funds. The hospital has made an equity contribution of $500,000, plus the donation of land. The board arranged to borrow a balance of $1.7 million. The Ministry of Health is not required or obligated to provide any capital cost dollars for the construction of the 168-bed chronic unit.

The Ministry of Health has agreed to an operating cost formula based on 1973 price levels and based on 95 per cent occupancy. The calculations are based on an optimum occupancy of 95 per cent. However, it is estimated it will take one year to build up to that level. We are paying a per diem rate per patient of $21.82. The unit will be organized and operated to obtain the appropriate mix of patients from the four levels of chronic care. Diagnostic and therapy services will be obtained on an outpatient basis from the hospital itself.

Mr. Shulman: Supplementary, if I may, Mr. Speaker: Does it make any sense, whether he calls them acute beds or chronic beds, to build more beds when just a few blocks away the ministry has all the beds at the Victoria Medical Inn, which it won't allow to be used? Why not make a deal with them instead of building more? What difference does it make where it came from?

Mr. Roy: The member is not asking the minister to be logical is he?

Mr. Shulman: Well, I have got to make him understand.

Hon. Mr. Miller: Mr. Speaker, the member is confusing a public hospital in this case with a private hospital.

Mr. Shulman: How about St. Michael's? Is that public?

Mr. Speaker: The hon. member for Downsview.

FEDERAL AID FOR MAINTENANCE OF PROVINCIAL POLICE FORCES

Mr. Singer: Thank you, Mr. Speaker; I have a question of the Attorney General. Is the Attorney General familiar with the submissions made by the government of the Province of Quebec through the government of Canada respecting financial compensation claimed from the government of Canada by the Quebec government for maintaining police forces in Quebec? That's the matter of the QPP. Is Ontario's Attorney General, as I suspect he is, contemplating similar representations on behalf of Ontario in relation to the OPP? This matter has been discussed, I know, in senior police circles within the Province of Ontario.

Hon. Mr. Welch: Mr. Speaker, the Attorney General is familiar with the request of the Attorney General of Quebec. In fact when the Attorneys General from across the country were here two weeks ago this was discussed as part of the programme.

I think the specific question contained in the latter part of the hon. member's question should be directed to the Solicitor General who has accountability to the House for the police.

Mr. Singer: By way of supplementary: I was addressing it to the minister in his dual capacity as Provincial Secretary for Justice—

Mr. Breithaupt: It is a policy matter.

Mr. Singer: It is a policy matter; it surely isn't a police matter. It is a matter of policy as to whether or not Ontario is entitled to money.

Mr. Roy: Why doesn't the minister have a meeting with himself?

Interjections by hon. members.

Mr. Singer: Since it's a policy matter, couldn't the Attorney General, wearing his other hat as Provincial Secretary for Justice, attempt to respond and tell us if Ontario has any attitude about this?

Hon. Mr. Welch: The Provincial Secretary for Justice would be quite prepared to respond to general matters with respect to policy, but this falls strictly within the responsibilities of the Solicitor General, and the question should be directed to the Solicitor General.

Mr. Singer: Oh come on!

Interjections by hon. members.

Mr. Speaker: The hon. member for High Park.

LENNOX GENERATING STATION

Mr. Shulman: Mr. Speaker, a question of the Minister of Energy: Why was the contract for the construction of the switchyard at the Lennox generating station given to Comstock with its tender of $2.1 million when the minister had a tender some hundreds of thousands of dollars less than that from Ontario Hydro's own construction department?

Hon. W. D. McKeough (Minister of Energy): Mr. Speaker, Ontario Hydro doesn't bid its own jobs in the same way that I think MTC bids its own jobs. Hydro prepares estimates which may or may not be correct. To put the facts on record, and the member was good enough to give notice of this question, the estimated cost by Hydro, including a profit, would probably be about $1.8 million. Five bids were received. The low tender was $2.1 million and the high bid was $3 million.

Mr. Shulman: If the lowest bid was $2.1 million and Hydro's own construction people's figure was actually $1.5 million—let's suppose they make a profit and it comes up to $1.8 million—doesn't the minister think that $300,000 should be saved since the construction department was anxious to do the job?

Hon. Mr. McKeough: Mr. Speaker, perhaps the hon. member might take a look at what is happening to construction costs these days.

Mr. Shulman: Is the minister suggesting these bids were not properly prepared?

Hon. Mr. McKeough: The bids were most properly prepared, but like most estimates today, they just don't stand up.

Mr. Speaker: The hon. member for Grey-Bruce.

Mr. Sargent: Mr. Speaker, I have a question of the Premier.

Mr. E. M. Havrot (Timiskaming): Now hear this.

SHORTAGE OF BEDS IN OWEN SOUND AREA HOSPITALS

Mr. Sargent: In view of the fact that today there is a waiting list of 193 patients for elective surgery and 87 for urgent surgery in the Owen Sound General Hospital, and we have a request from Southampton Saugeen Memorial Hospital for urgent beds and all we have left are stretchers, what are we going to do in the Owen Sound area for our hospitals?

Mr. R. F. Nixon: His offer still stands.

Hon. Mr. Davis: Mr. Speaker, the Leader of the Opposition said the offer still stood. I won't get into that.

Mr. Sargent: I don't want that kind of answer. I want to know what the government is going to do.

Hon. Mr. Davis: He said so; I didn't say so.

Mr. Speaker: Order.

Interjections by hon. members.

Mr. Sargent: That's nonsense to me.

Hon. Mr. Davis: The member for Grey-Bruce and his problems in his riding receive the same attention as do those of any member in this House. The Minister of Health will get in touch with the members of the hospital boards.

Mr. Sargent: That is a lot of nonsense. What are we going to do up there?

Interjections by hon. members.

Mr. Sargent: I am not talking about this seat or whether I will resign or not, which I will gladly do if the government will play ball with us. Lives are more important than politics, Mr. Speaker.

Mr. Roy: The Premier is just afraid to lose the by-election.

Mr. Sargent: What is the Premier going to do about it? We can't go on this way!

Mr. Speaker: I think there is obviously no further answer.

Mr. Sargent: Mr. Speaker, I don't think this is fair. I don't care whether you boot me out again or not, but this is important enough that I want an answer from this man.

Interjections by hon. members.

Mr. Speaker: The hon. member for Port Arthur.

Interjections by hon. members.

Mr. Speaker: The hon. member for Port Arthur has the floor.

Mr. Sargent: Mr. Speaker, I hate to embarrass you, sir, but I'm going to insist on an answer about what he is going to do there.

Mr. Speaker: The hon. member for Port Arthur has the floor. Perhaps you will direct your question.

Mr. Sargent: I will give the Premier an "out". Does he have an answer from the Minister of Health as to what he is going to do here?

Mr. Speaker: Order, please. The hon. member for Port Arthur.

Interjections by hon. members.

Mr. Speaker: The hon. member for Port Arthur will please direct his question.

Interjections by hon. members.

Mr. Sargent: Mr. Speaker, I'm sorry; I am going to insist I get an answer from the Premier.

Mr. Speaker: The hon. member for Port Arthur.

Mr. Sargent: The Speaker is testing me.

An hon. member: The member for Grey-Bruce is testing all of us.

Mr. Speaker: The hon. member is right. The hon. member for Port Arthur.

Mr. Foulds: A question of the Premier—

Mr. Sargent: Is the Premier going to give us an answer?

Hon. Mr. Davis: On a point of order, so that you, sir, are not tested by the member for Grey-Bruce; perhaps I will repeat what I said, which I will assume he did not hear—

Mr. Sargent: No, I didn't.

Hon. Mr. Davis: —so that he may now understand what I did say.

Hon. Mr. White: Oh, he'll never understand.

Hon. Mr. Davis: I said very simply that the Minister of Health is quite aware of the situation. There have been discussions with the local hospital board. We are anxious to see a solution to the problem that is reasonable, and I'm relatively confident of what can be found. Now that is some amplification of what I said about two minutes ago. But if the hon. member had been listening, perhaps he would have gained from it.

Mr. Roy: The Premier wasn't tested; he had to give an answer.

Mr. Speaker: The hon. member for Port Arthur.

WITHDRAWAL OF TEACHERS' SERVICES

Mr. Foulds: Thank you, Mr. Speaker. A question of the Premier: In view of the fact that the arbitration award in the York county teachers' dispute has not yet been brought down, could the Premier tell the House if the Minister of Education (Mr. Wells) is considering extending the date for the submission of resignations by the teachers in York county?

Hon. Mr. Davis: Mr. Speaker, I can't comment on that. I would be delighted to ask the Minister of Education. I would doubt there is consideration of the extension of the date for resignation submissions, but I don't know. I shall find out.

Mr. Foulds: Supplementary: Could the Premier ask the minister to have that information in before the end of the week, as May 31 is the final date on which teachers can resign under normal circumstances.

The Premier nods agreement. I'd like to get that on the record; that nod isn't recorded by Hansard.

Hon. Mr. Davis: Of course, be careful how the member interprets a nod.

Mr. Speaker: The hon. member for York Centre with a supplementary.

Mr. Deacon: Would it not be important that all settlements which have not been completed, or where decisions have not been handed down, that such extensions be available to them as well?

Hon. Mr. Davis: Mr. Speaker, I didn't hear the total question because of the noise emanating from the other side of the House. What was it again?

Mr. Deacon: I thought the noise was from the Premier's left.

Would it not be fair to extend the date of resignation in every situation where a decision as to the final settlement has not been handed down?

Hon. Mr. Davis: Mr. Speaker, I doubt that very much. As I say, I'm really very hopeful that all of them are going to be resolved, including the one in York.

Mr. Deacon: In two days?

Hon. Mr. Davis: I think that it will prove to be relatively academic.

But I would only say this to the member for York Centre: If I heard reports of last night's meeting accurately, does he really believe in members of the Legislature being recalled?

Mr. Deacon: If they have to be.

Mr. Foulds: Supplementary.

Mr. Deacon: I think in a lot of places it would work very well.

Mr. Speaker: The hon. member for Port Arthur may ask a supplementary.

Mr. Foulds: Wouldn't the Premier agree that there is a categorical difference between the situation in York county and the other arbitration awards in that all the other awards went voluntarily to arbitration, but this Legislature imposed arbitration upon the York county teachers?

Hon. Mr. Davis: Mr. Speaker, there are occasions in these days when I do find the hon. member for Port Arthur perceptive; not always aware, but sometimes perceptive. Of course, he's quite right; there is a distinction between the situation in York and the other arbitrations or negotiations that are going on. There is no question about that.

Mr. Foulds: Supplementary: Wouldn't that be a reason for extending the date of resignations in that particular case?

Mr. Speaker: In view of the short time remaining I think there have been enough supplementaries.

The hon. member for Ottawa East.

JOHANNES STEVENS

Mr. Roy: Mr. Speaker, I have a question of the Solicitor General—

Mr. Havrot: When did he get back from Ottawa?

Interjections by hon. members.

Mr. Roy: My question deals with one Johannes Stevens from Oakville who—

Mr. Havrot: The member is not from Oakville.

Interjections by hon. members.

Mr. Speaker: Order please.

Mr. Roy: Yes; keep them down a bit, they are getting excited. Who is that?

An hon. member: The member for Ottawa East is pointing his finger.

Mr. Roy: They are testing me.

Interjections by hon. members.

Mr. Roy: My question of the—would the members keep it down back there.

My question of the Solicitor General, Mr. Speaker, involves Mr. Stevens of Oakville, who in 1971 was charged with theft. Certain documents were seized from him by the Oakville police and returned to the complainant, in breach of the Criminal Code. Has the minister investigated this situation in light of the fact that a complaint has been made to the Ontario Attorney General, the Ontario Police Commission and the Oakville Police Commission?

Hon. Mr. Kerr: Mr. Speaker, the hon. member really hasn't given me enough information to identify that particular case. I haven't even got any names. I would suggest he gives me the information and I will look into it.

Mr. Bullbrook: I think we should ask the Attorney General.

Mr. Roy: Supplementary, Mr. Speaker: How can the minister explain that he has no information in light of the fact that in February, 1973, a complaint was made to the Ontario Police Commission? And how come he has not done anything about this, in light of the fact that the police, in seizing the records and giving them to the complainant, have in fact breached the Criminal Code and have denied the right of this man to have these records to prepare his defence?

Mr. Bullbrook: A very good question.

Hon. Mr. Kerr: I might say, Mr. Speaker, the hon. member is still adding more facts. He's really confusing me and confusing the House.

Interjections by hon. members.

Hon. Mr. Kerr: I still haven't got the name of the particular complainant to whom he refers.

Mr. Roy: I will sit down with the minister.

Hon. Mr. Kerr: Right. I would suggest that he give me the information.

Mr. Speaker: The hon. member for Windsor West.

DISPUTE AT BORDEN CO. LTD.

Mr. Bounsall: A question of the Premier, Mr. Speaker, in the absence of the Minister of Labour: Does he not think there is categorical evidence of bad faith bargaining on the part of Borden's milk company at its plant in Belmont, Ont., which having locked out its employees on May 2 is now advertising for and employing other workers? Secondly, what is the Ministry of Labour doing to assist in solving this dispute?

Hon. Mr. Davis: Mr. Speaker, I don't want to use a double negative but no, I do not think there is because I don't know.

Mr. Bounsall: Supplementary: Will the Premier—in the absence of the Minister of Labour, and perhaps a prolonged absence—find out and inform this House?

Hon. Mr. Davis: I would be delighted.

Mr. Speaker: The member for Waterloo North.

ENVIRONMENTAL ASSESSMENT

Mr. E. R. Good (Waterloo North): A question of the Minister of the Environment: Is it correct there have been over 200 submissions to the green paper on environmental assessment? Does the minister plan a public discussion of the most pertinent facts that have been brought up in the submissions to the ministry on the green paper?

Hon. W. Newman (Minister of the Environment): Mr. Speaker, there were 179 submissions. We have evaluated them and are still evaluating the submissions on the green paper that was presented last November here in the House.

Mr. Good: Supplementary: Is the minister prepared to present a draft for public perusal of the main points of concern that have been brought in by these submissions; and does he expect to submit legislation at the spring session that can be looked at over the summer until the matter is dealt with on second reading?

Hon. W. Newman: Mr. Speaker, the green paper was set out so people could make submissions. We have taken those submissions. We have analysed them. We are still analysing them. As far as the latter part of the member's question is concerned, as far as legislation is concerned—in the fullness of time.

Interjections by hon. members.

Mr. Roy: Oh yes, he knows what he is talking about.

Mr. Speaker: The hon. member for Thunder Bay.

RADAR BASE AT ARMSTRONG

Mr. J. E. Stokes (Thunder Bay): I have a question of the policy minister for Social Development. Is her policy field doing any consultation with the Resources Development policy field to ensure that the town of Armstrong won't wither on the vine as a result of the closing down of the radar base by the federal government?

Hon. M. Birch (Provincial Secretary for Social Development): Mr. Speaker, no; there has not been any consultation.

Mr. Roy: Isn't the Premier concerned that all those ministers are leaving his cabinet?

Mr. Speaker: Time for oral questions has now expired.

Hon. Mr. Davis: I will tell the member, they are going to do it with more success than the member had.

Mr. Roy: Want to bet? Does the Premier want to bet on that election?

Hon. Mr. Davis: Yes.

Mr. Speaker: Petitions.

Presenting reports.

Hon. Mr. Welch presented the seventh annual report of the Ontario Law Reform Commission for the fiscal year April 1, 1973, to March 31, 1974.

Mr. Roy: Is he presenting that as policy secretary or Attorney General?

Hon. Mr. Welch: I've been writing the report; notice: "March 31, 1974."

Mr. Wiseman, in the absence of Mr. McNeil, from the standing resources development committee reported the following resolution:

RESOLVED: That supply in the following amounts and to defray the expenses of the Ministry of Natural Resources be granted to Her Majesty for the fiscal year ending March 31, 1975:

Ministry of Natural Resources

Ministry administration programme	$21,748,000
Land management programme	72,308,000
Outdoor recreation programme	45,394,000
Resource products programme	31,979,000

Mr. Speaker: Motions.

Introduction of bills.

Before the orders of the day, I should like to remind the hon. members that tomorrow evening the great social event of the year is taking place.

Interjections by hon. members.

Mr. Reid: Singing at this one.

Mr. Speaker: I extend a special invitation to all members to attend the Speaker's dinner. I promise you there will be good entertainment.

Mr. Foulds: Mr. Speaker, on a point of order—

Mr. H. Edighoffer (Perth): Before the orders of the day, Mr. Speaker, I would like to draw to the attention of the members the colourful brochure that was placed on their desks today. It is the brochure from the Stratford Festival which has its grand opening next Monday evening. It still remains one of the leading tourist highlights of Ontario and I invite all members to visit the Stratford Festival this year.

Mr. Foulds: Mr. Speaker, before the orders of the day and on a point of order, I would like to draw your attention to the committee notices printed in the order paper, in which the social development committee is evidently meeting in two places at once. One is to consider the estimates of the Ministry of Colleges and Universities and one is to consider the Health Disciplines Act. I understand the solution has been worked out, but I draw it to your attention—

Mr. Deans: No, it hasn't.

Mr. Foulds: —because it shows the shambles the ordering of the business of this House is in. Perhaps a clarification should be made publicly so the members of those committees know which is being considered and where.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, I don't wish to comment at great length on that, but the shambles in the business of the House is the nonsensical use of time which has existed for about the last six weeks.

Interjections by hon. members.

An hon. member: The minister doesn't like discussion of anything.

Mr. Deans: Speaking to the point of order and the reply of the House leader, it is evident to anyone with even half a brain, which might include the House leader—

An hon. member: If the House leader had another half a brain he would be lucky.

Interjections by hon. members.

Mr. Speaker: Order, order. This sort of language is not parliamentary and should be withdrawn.

Interjections by hon. members.

Hon. Mr. Winkler: The member doesn't know it.

Mr. Deans: I withdraw it, Mr. Speaker; "anyone with half a brain" wouldn't include the House leader. The fact of the matter is that a standing committee cannot hear two things at the same time.

Interjections by hon. members.

Mr. Speaker: Order, please. I don't believe this sort of language should be permitted in any Legislature in this country and I would ask the hon. member to withdraw it.

Mr. Deans: All right, I withdraw it. Let's begin again.

It is evident to anyone in the House that one standing committee cannot sit and hear two matters at the same time. The House leader informed me five, perhaps seven minutes ago, that it was his intention to have both the Ministry of Colleges and Universities' estimates and the Health Disciplines Act heard at the same time. I bring to your attention, sir, that this doesn't make for an orderly procedure which can be reasonably followed by any member. The committee can only address itself to one matter at one time and I ask for your guidance on which of these matters will be dealt with today.

Hon. Mr. Winkler: Mr. Speaker, I would like to make this comment—it is not a precedent that two matters of business are referred to a standing committee.

Mr. Deans: Not to the same committee.

Hon. Mr. Winkler: Not at all—the same committee, in the function of this House.

Mr. Bullbrook: What would be a precedent? The minister said it wasn't a precedent.

Hon. Mr. Winkler: Pardon me?

Mr. Bullbrook: Give us a precedent.

Hon. Mr. Winkler: Over the years on many occasions there have been two or three items referred to the same committee and the committee deals with it in its own wisdom.

Mr. E. W. Martel (Sudbury East): Yes, but not at the same time.

Mr. Bullbrook: In two different locations? Since the House leader has now given us an assertive statement—and I know it is not his custom to mislead the House—do I understand the House leader to say there is precedent for a standing committee to sit in two places at the same time on two different matters?

Hon. Mr. Winkler: I didn't say that.

Mr. Bullbrook: That is what he is doing today.

Hon. Mr. Winkler: That is not what I said.

Mr. Bullbrook: All right. Then I say, most respectfully, through the Speaker, that the House leader did mislead me. I thought the House leader said there is precedent for a standing committee to be sitting in two places at once?

Hon. Mr. Winkler: No, that is what the member said.

Mr. Bullbrook: That is what is going to happen this afternoon.

Hon. Mr. Winkler: No.

Mr. Bullbrook: It is not going to happen?

Hon. Mr. Winkler: No.

Mr. Deans: May I, Mr. Speaker—

Mr. Bullbrook: Just permit me for a moment. Do I understand the order of busi-

ness? Let me tell the House something; I am not going to get into this debate, because unfortunately—

Interjections by hon. members.

Mr. Bullbrook: —I deprived myself of the right to join the debate. I was so incensed with the order of business in the House, while recognizing it is the function of government, I went to the Speaker today as a private member and colleague of his to register my personal objection to the destruction, in effect, of the normal parliamentary process here. I did that. I am really concerned about it. I want to say this to the House leader, if I might, through the Speaker, I am very interested in knowing if we are going to do Colleges and Universities at the same time as the Health Discipline Act in the same place?

Mr. Deans: Before the House leader answers may I bring to your attention, sir, exactly what the situation is? The order paper shows—

Mr. Speaker: I might point out to the hon. member I have read the order paper. I am aware of the apparent discrepancy.

Mr. Deans: One can't be in both rooms—

Mr. Speaker: I had thought it might have been a printer's error. I am not certain, but I think the House leader can straighten it out.

Hon. Mr. Winkler: Yes, Mr. Speaker, I will reiterate that it is not uncommon that two matters of business be referred to the same standing committee and the committee deals with it as it sees fit.

Mr. Deans: I was right. I don't take back my statement.

Hon. Mr. Winkler: It so happens that the Minister of Health will not be here on Thursday, Friday and Monday, and the committee will deal with the estimates of the Ministry of Colleges and Universities at that time. That is not unusual either.

Mr. Bullbrook: Are we not dealing with Colleges and Universities today?

Hon. Mr. Winkler: Mr. Speaker, I will say of the member of that party who is getting up and being critical and of the House leader of the NDP—

Mr. Bullbrook: I am going to join in this point of order right now.

Hon. Mr. Winkler: —if they were half the gentlemen that the House leader of the Liberal Party is, we wouldn't have any of this nonsense.

Mr. Bullbrook: Mr. Speaker, I want to say something to you about the point of order. Do you realize that the House leader is now telling us that Colleges and Universities estimates are not going to go on this afternoon? Let me give you the history of this, if I may—just a short history—

Interjections by hon. members.

Mr. Speaker: Order, please.

Mr. Bullbrook: This is the third time in 24 hours he has changed his mind. What type of government order is that?

Mr. Speaker: Order, please.

Interjection by an hon. member,

Mr. Speaker: I do recognize there appears to be some difficulty—

Mr. Bullbrook: You bet your life.

Mr. Speaker: —in connection with the odering of the business as set forth in the order paper. This was noticed this morning. I wasn't certain just what the explanation would be.

Mr. Stokes: It is just chaos here, utter chaos.

Mr. Speaker: In any event, at this particular time I am about to call for orders of the day. It's up to the House leader to indicate the next order of business; and in any event there is nothing I can do about the conduct of the committees.

Mr. Bullbrook: That's right. You are right.

Mr. Speaker: I am sure this will be straightened out one way or the other, because the committees cannot be in two different places at the same time.

Mr. Stokes: What is going on in committee?

Mr. Roy: Mr. Speaker, on a point of order—

Mr. Stokes: You are going to do what with which and to whom?

Mr. Shulman: Don't leave, Mr. Speaker.

Mr. Foulds: On a point of order, Mr. Speaker, as a member of the social development committee, what room do I go to?

Mr. Speaker: Orders of the day.

Clerk of the House: The second order, House in committee of the whole.

LAND SPECULATION TAX ACT
(continued)

House in committee on Bill 25, An Act to impose a Tax on Land in respect of certain speculative Transactions affecting the Control or Ownership of Land.

On section 5:

Mr. I. Deans (Wentworth): Mr. Chairman, on a point of order, if I may—

Mr. Chairman: Order, please.

Mr. Deans: Mr. Chairman, on a point of order—

Mr. Chairman: State your point of order.

Mr. Deans: Thank you. My point of order is this: As part of my function, I am required to inform my colleagues in this party where they are supposed to be in order to conduct the orderly business of the House.

Mr. Chairman: Well—

Mr. Deans: Just hear me out. In order to do that, I need to know whether to advise them to be in committee room 1 to deal with the Health Disciplines Act or in committee room 230—

Mr. Chairman: Order, please. If I might—

Mr. Deans: —in order to deal with the Ministry of Colleges and Universities estimates.

Mr. Chairman: Order, please.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Chairman, I just want to say again that there is no sense in that member pulling this stuff on me when I told him precisely what the circumstances were.

Mr. Deans: They can't be done.

Mr. Chairman: Order, please.

Mr. Deans: They can't do it.

Mr. A. J. Roy (Ottawa East): Where are they sitting? Just tell us.

Mr. Chairman: Order, please. That matter is not before the committee.

Mr. Deans: Then I move the committee rise and report in order that it can be put before the appropriate body.

Mr. Chairman: I consider this a frivolous motion.

Mr. Deans: I move the committee rise and report. It's a procedural motion to deal with a matter that has to be dealt with.

Mr. Chairman: I will put the motion then.

Those in favour of Mr. Dean's motion will please say "aye."

Those opposed will please say "nay."

In my opinion the "nays" have it.

Mr. Deans: Well, we will have to call in the members.

Mr. R. G. Eaton (Middlesex South): Talk about wasting time!

Mr. Deans: They can't be in two places at the same time.

Mr. Chairman: Call in the members.

The committee divided on Mr. Deans motion that the committee rise and report, which was negatived on the following vote.

Clerk of the House: Mr. Chairman, the "ayes" are 28, the "nays" are 56.

Mr. Chairman: I declare the motion lost.

When we were dealing with bill 25 last evening, although we were discussing section 5, subsection 4, there was a leftover item, an answer to a question on subsection 3. Perhaps the minister might clarify that now.

Hon. A. K. Meen (Minister of Revenue): Mr. Chairman, toward the end of last evening I indicated to the hon. member for High Park that I would like to ruminate for a little bit on his suggestion that the affidavit might contain a reference—

Mr. Chairman: Order, please. It's very noisy in the chamber.

Hon. Mr. Meen: —that the affidavit might contain a reference to the residency of the deponent. On reflecting on it, as I indicated I would do, I concluded that that would create no particular advantage, inasmuch as if the deponent is prepared to swear a false affidavit as to the circumstances set forth, then he's just as likely to swear a false affidavit with respect to his residency since he would be out of the country. It, therefore, would be of no meaning and no advantage to put it into subsection 3, and I therefore would not propose to amend subsection 3 of section 5 at this time.

Mr. Chairman: Shall subsection 3 stand as part of the bill? Carried. On subsection 4,

any further discussion on that? The member for High Park.

Mr. M. Shulman (High Park): You will recall, Mr. Chairman, last night we were talking about sending registered letters to people. The subsection lets everybody get a registered letter but doesn't let them do very much with their registered letter. The suggestion I made to the minister was that if someone is going to pay this lien, this payment he makes should be given a priority. For example, if the first mortgagor declines to pay the lien and the second mortgagor pays the lien, surely that payment he is making should rank ahead of the first mortgage? The minister was thinking about what I said and perhaps he has some response.

Hon. Mr. Meen: The practice in cases like this, Mr. Chairman, where an encumbrancer pays up a prior lien of whatever nature, is that the amount of his payment is added to his own encumbrance and accrues, along with his own encumbrance, at the rate of interest that is provided for in his own encumbrance, and that's the way this would work in this instance.

Mr. Shulman: I am sorry, what is the reason you gave for that?

Hon. Mr. Meen: That it is the normal practice in anything of this sort, where the second mortgagee pays off an execution and where the execution creditor might be seizing and selling property under a writ of fi. fa. and the encumbrancer comes forward to pay it off, it is added to this encumbrance and, as I say, accrues interest from the date of payment at the rate set out in that encumbrance.

Mr. Shulman: It may be normal practice but it doesn't make any common sense, so let's think afresh, and even if you have been doing things wrong all these years, we will try to improve them.

It obviously doesn't make any sense for a person with a second or third encumbrance or mortgage, or whatever you call it, to make a payment if he is not getting a first priority with the payment. What you are saying, in effect, is that we are going to send out all these registered letters but it doesn't do anybody any good, because the only person to whom it would make any sense whatsoever would be the first mortgagor.

Just because it has always been done the wrong way I don't think it is logical to continue to do it the wrong way. It would appear common sense to me—perhaps the lawyers will disabuse me of common sense here—to allow the persons to make the payment in order of their priority, and if the person who holds the first mortgage doesn't wish to make the payment then the person holding the second mortgage should be allowed to do it, and whatever payment he makes should come as a first encumbrance on the property. Right or wrong?

Hon. Mr. Meen: Mr. Chairman, I have already set out the practice that would be followed.

Mr. Shulman: We know it is the practice, but it is wrong.

Mr. Chairman: On subsection 4, the member for Lakeshore.

Mr. P. D. Lawlor (Lakeshore): The hon. member is perfectly right. The answer, it seems to me—

Interjections by hon. members.

Mr. Lawlor: May I have a little peace so that I may soliloquize? There are two different things involved here. What I think the member for High Park is asking is, if any one of the encumbrancers down the line steps in and takes over your lien, why doesn't he step into your position, into your shoes? Why don't you make an assignment of it and give him that priority?

The thing you are talking about it a tacking doctrine, which is somewhat different. Oh, and by the way, I would like to consult with the minister on an answer. Have you checked the mortgage law very carefully, and the wording in the normal mortgage very carefully, to see whether this very kind of payment in lieu of somebody else is subject to the doctrine of tacking, or is the wording in mortgages—I haven't checked this—sufficiently broad to encompass this particular thing?

We all know it does it with respect to taxes that are paid and with respect to other kinds of encumbrances that are moved in on, and you can bring it into your mortgage figure, add it to the principal and the mortgage goes on. You have assumed some responsibility. I am not sure in law whether or not the assumption of this particular liability would be so regarded by the law of mortgages or by the courts in this context. That is really the first point.

The second one is, that's not helping somebody who is pretty far down the line of encumbrancers and who has to protect himself in this way over against the prior en-

cumbrancers who have refused to participate in that. By adding that particular burden on to the thing he could leave himself in a very detrimental position, and I think you will agree with me that in law he will be in a very much better position were he in your shoes and not merely relying upon some tertiary right.

Hon. Mr. Meen: Mr. Chairman, that could be one way to do it. One could have a provision where, with the lien paid off, the person paying off the claim was subrogated to the position of the minister.

Mr. Lawlor: Right.

Hon. Mr. Meen: However, I think that could be subject to abuse because that would put his claim then in priority to all the other claimants on the property who might be, as a result of that, unjustly affected. The law is clear, as I understand it anyway, with respect to mortgages. I don't think that this would be contrary to the law that one would expect to apply in the normal practice with respect to mortgages.

I might add, Mr. Chairman, what we're talking about in subsection 4 of 5, is simply the matter of notice. When we want to talk about the way in which that person recovers the money he's paid, I would suggest the hon. members look down at subsection 7. Now, when we get to that we can talk about that part of it, if the hon. members care to. What we're talking about under subsection 4 of 5 is simply the matter of notice requiring the minister to bring to the attention of all those who appear to have an interest in the title the fact here is a claim about to be exercised by the minister.

Mr. Chairman: Does subsection 4 then stand as part of the bill?

Mr. Lawlor: I reserve my comments until I get there.

Mr. J. E. Bullbrook (Sarnia): It's subsection 7 we want to get to—but we'll get to that. I just want to record again, not at length, but the comments made last night in connection with subsection 2. You recognize that because of the fact that as a retention of your lien privileges, notwithstanding the issuance of the certificate, you're going to put a person in a position of losing their land when, in fact, they've relied on a certificate issued by your ministry.

Mr. Chairman: Does subsection 4 stand as part of the bill?

Subsection 4 agreed to.

Subsection 5?

Subsection 5 agreed to.

Is there anything on subsection 6?

Subsection 6 agreed to.

Subsection 7?

The member for Lakeshore.

Mr. Lawlor: The minister mentioned that it would be subject to some possible abuse by way of a subrogation, or assignment, or substitution of some kind. Without being too harsh, it's no greater abuse than the abuse that you yourself conferred by giving yourself this peculiar kind of priority. If, in order to protect his interests, an innocent individual was placed in that position, then it is no greater abuse than the Crown has already saw fit to bring into effect. Therefore, if it's an abuse, it's an abuse by second degree.

We've heard the argument about the abuse involved in the thing in the first subsection. I'm not going to recapitulate that argument. That would be possible, but I don't think your answer went to the heart of the matter. If it's there and someone is being subjected to this particular penalty, then that tax under the circumstances—I think the minister will agree—could be very high indeed; a 50 per cent tax on an increment of $100,000. The sum of $50,000 is a lot of money to be added on to some fourth, third or second mortgage along the way.

Wouldn't it be more just and equitable in the circumstances, since the lien already exists, since it's sitting there in priority to everything, that someone else would take it over and pay it? It would be placed in precisely the same position.

Mr. Chairman: The member for Riverdale.

Mr. J. A. Renwick (Riverdale): I would like to ask the minister a question on the same point. Presumably a person who doesn't have an encumbrance gets no protection whatsoever if he makes the payment which is provided for in subsection 7?

It would seem to me in those situations in which a change of control has taken place in a corporate body of the kind which would attract the tax set out in subsection 2 of section 2—that while there's been no transfer of the land in the registry office, there's been a change of control in the corporation. A change of control would attract the tax, create the lien against the land with respect to which the owner corporation had had the change of control. And then if one of the shareholders said, "I now want to pay the tax

so that I can be protected against this lien and have the lien discharged," such a person would have no priority of any kind and no protection for the funds which he paid.

It seems to me that the point made by the member for High Park and the point made by the member for Lakeshore must also include the requirement that anybody who pays should get some kind of protection.

I agree with what I take to be the meaning of the comments made by the member for Lakeshore that the protection for the person who has an encumbrance, by having the amount of the payment added to the encumbrance, is in itself not adequate. I take it that that's what the member for Lakeshore is saying. Well, if that is not adequate in the view of the member for Lakeshore, it certainly is less than adequate if you don't happen to have an encumbrance and are a person who is interested in protecting the land, because I am a shareholder in a company which has had a change of control and which has attracted the tax and therefore attracted the lien on the land.

It seems to me that there must be some method by which a payor who takes that step to protect his position should be given some protection. I agree with the member for Lakeshore that even when he has an encumbrance he should be given a priority over other encumbrances—

Mr. Lawlor: That's right, and on this particular lien.

Mr. Renwick: —with respect to the moneys which are paid.

Hon. Mr. Meen: The member for Riverdale and the member for Lakeshore raised an interesting point—two points. The member for Lakeshore suggested it should be in priority to all other claims.

Mr. Renwick: Yes.

Hon. Mr. Meen: Yes; he is suggesting that it should, in effect, be a subrogation.

Mr. Bullbrook: Would the minister speak up just a bit?

Hon. Mr. Meen: The member for Riverdale suggests that there should be some automatic mechanism whereby the payor—

Mr. Bullbrook: On a point of order for a moment. I am very much interested in what you are saying, but for some reason I can't hear you too well. I don't know whether it's the amplification, or what it is.

Hon. Mr. Meen: I'll try again. Is that better?

Mr. Bullbrook: Yes.

Hon. Mr. Meen: Maybe if I aim my speech this way a little bit.

In the second instance the member for Riverdale suggests that there should be some mechanism built into the section for security, in some fashion, to the person paying off the lien, in the case where he does not have some kind of encumbrance as elementary perhaps as a writ of execution to which he could add the amount outstanding. It raises a good point and certainly the illustration given by the member—

Mr. Bullbrook: I don't follow the point, I must say.

Hon. Mr. Meen: —would be one in which there was maybe nothing on title; where there had been a change in the shares of the company, perhaps; where a deemed disposition has occurred; where maybe the shareholder feels himself aggrieved and needs to protect his interest. If that were so, I am sure he could make the necessary arrangement—I would think he could make the necessary arrangement—with the company to take a security for, say, another mortgage for the advance used to clear off the lien of the Crown, or some kind of security from the company, or shares, or whatever—

Mr. Renwick: I think he should be given it.

Hon. Mr. Meen: —in order to protect himself. Certainly subsection 7, as it stands—

Mr. Renwick: I think what we are saying is—

Hon. Mr. Meen: —would give no individual automatically a right because his right does not appear on the face of the title. He has no interest in the title, as it appears.

Mr. Renwick: Mr. Chairman, I like the use by the minister of the term "subrogation" because that's exactly what the member for Lakeshore was saying, that he should be subrogated to the right of the Crown and have the same priority with respect to the payment that the Crown had with respect to the lien.

The example I used, of course, was simply to think up an example of a situation where a person might, to protect his interest have to make a payment and, at the same time, didn't have the kind of encumbrance. I think both situations could be covered by providing

that the payor to the extent of the payment made to discharge the lien would be given the statutory priority over everybody and be placed in the same position as the Crown was placed in.

I would certainly be interested in the comments of the member for Sarnia or any of the other members.

Mr. Bullbrook: I must confess I believe, to the minister through the chairman, that I am missing the point put forward by both the member for Riverdale and the member for Lakeshore. I understand that you are distinguishing, if we may, between the rights of someone with an interest in the equity of redemption and a right in a person holding an encumbrance or charge. We are involving ourselves with the right of the interest of the owner of the equity of redemption. Then the value placed in addition, or the obligation of payment, still leaves him with his ability to recover that because he has control of the sale of the asset. Where the encumbrancer doesn't, that's what I thought the distinction was, that we don't have to add that on to the person having the interest because he recovers that in his control of the asset.

Mr. Lawlor: That is not the point.

Mr. Bullbrook: Well then, maybe I am missing your point.

Mr. Lawlor: Mr. Chairman, as I understand the situation it is not the question of the equitable owner, it is the encumbrancers.

If a fairly large piece of property had say four mortgages on it, the fourth mortgage very well might be, say a $10,000 mortgage. The lien itself might be $50,000, five times greater than the mortgage itself. If for one reason or another the other encumbrancers are not prepared or do not have adequate cash to move in on that situation, this fourth mortgagee has only got a $60,000 mortgage which may leave him really holding the bag over against the rest of the boys if he should be foolish enough to move in on the situation. Nevertheless to protect himself he might feel obliged to do so.

Why shouldn't the person with this very special kind of tax—a really extraordinary form of taxation unknown to this moment to the laws of Ontario and not encompassed by way of prevision within the Mortgages Act as to what may be tacked on to the principal of a mortgage—why shouldn't he be able, in these circumstances, considering the weight that must be borne in hard monetary terms, step into the shoes of the ministry? He is paying them, why shouldn't he achieve that status under the law? Wouldn't it be the fairest possible thing for them to do in the circumstances?

Mr. Bullbrook: In other words, as I understand it — I can't see the point in connection with a subsequent encumbrancer. You, I think, will agree with my problem with respect to the owner of the equity of redemption.

Mr. Lawlor: He's all right. He has got the money.

Mr. Bullbrook: He's all right. The point, I take it, is that you want him to have priority as to the money paid to the ministry in priority to any other encumbrancer.

Mr. Renwick: He should be subrogated to the position of the Crown.

Mr. Bullbrook: Yes, I must say that I am without any great thought in that. I see equity on one side and yet on the other side I see the fact that that's part of the normal mortgage business transaction.

For example, supposing you have got a second mortgagee undertaking a power of sale or foreclosure, then an execution creditor has to take that gamble. Right? Am I correct, Mr. Minister, that he takes that gamble if he wants to pay off the first and second mortgage?

Hon. Mr. Meen: Yes, I think so.

Mr. Bullbrook: I am inclined to think it is part of the gamble that that person holding a financial interest must take. On the other hand, I see the point made where for example a first mortgagee might not be in a sufficiently liquid position at the time to protect his interest, so a second mortgagee, in order to protect not only his own interest but the position of the first mortgagee, does deal with your ministry. Then it does seem reasonable that he should have some priority of protection.

I think on balance probably their argument is acceptable.

Hon. Mr. Meen: You can see both sides of this and I'm rather inclined to look at the risk that a fourth mortgagee may have to adopt when he advances money on that kind of security. You see, for example, he will have been given notice of the impending sale for that matter, if it came about in that kind of transaction. Then he will receive a subsequent notice.

I can see that we would have some difficulties if we simply gave him the right to

step into the shoes of the minister. And although I would like to reflect on that one a little longer I think that I would rather not tamper with that at the present time. That's a very standard kind of provision. In fact, we have I believe a virtually identical section in the Land Transfer Tax Act.

Mr. Lawlor: The tax is nowhere close.

Hon. Mr. Meen: It could be 20 per cent.

Mr. Chairman: Shall subsection 7 stand as part of the bill?

Mr. Bullbrook: I want to ask a question of a technical nature. I notice in subsection 4 we use the words, "interest, encumbrance or charge." I relate my comments to a possible situation. Since there is no definition of encumbrance in the statute—I haven't looked at the Interpretation Act—but you don't mention "charge" as to the right in subsection 7; you just talk about the encumbrance there.

Can the minister think of a situation where a person who is given a right under subsection 7 might have a charge under subsection 4 and because of the wording not be given the protection that you have given under subsection 7? It's just a technical thing.

Hon. Mr. Meen: No sir, not offhand. I think that they are probably mutually inclusive.

Mr. Bullbrook: I am prepared to rely on your legal opinion or your ministerial opinion. I'm just wondering, it would seem to me that we should have said in subsection 7 "encumbrance or charge" just to make sure that we are not missing any situation.

Hon. Mr. Meen: I am sorry, my mind was elsewhere. Would the member repeat that?

Mr. Bullbrook: I was suggesting to the minister that he might consider perhaps amplifying this under subsection 7; where he has used the words "encumbrance or charge" in subsection 4 the minister might want to use the same words. I just don't know if a court interpreting a specific position of a holder of some equity in the property might say, "I'm sorry, you don't have a right because you're a charge" and only the encumbrance has a right under subsection 7.

Hon. Mr. Meen: I think we, as lawyers, sometimes use more words than necessary and I'll take a look at that. I would like to think, as I said, they are mutually inclusive but since there is a difference in the two, I think we might want to take a look at that to determine which one of them we might alter some day.

Mr. Chairman: Shall subsection 7 stand as part of the bill?

Subsection 7 agreed to.

Mr. Chairman: Subsection 8, the member for Downsview.

Mr. V. M. Singer (Downsview): Mr. Chairman, subsection 8 is another one of these sections in which the wording is so broad as to almost be meaningless. It says:

> Upon such conditions as he may impose, the minister may abandon, postpone, release or waive with respect to all or any part of any designated land any special lien conferred by this Act.

What exactly does it mean? Does it mean I can write the minister a letter and say, "Please, Mr. Minister, withdraw the lien" and the minister will say, "If you will write me another letter saying the same thing, that's the condition I impose"?

Surely, there must be some testing for the withdrawal of the lien? If the lien is validly there—we are going to come to this again in a different context, in a later section—should we be prepared in a taxing statute to say, "Let the minister, as his discretion deems best, abandon the lien for whatever reasons are known only to him"? What is the purpose of the section? Why should any minister ask for such broad discretion in a taxing statute? Frankly, in absence of an explanation, I can't see how I can support subsection 8.

Mr. Chairman: The minister?

Hon. Mr. Meen: Mr. Chairman, this is not an uncommon section. I would refer the member to the Corporations Tax Act which has a similar section in it. I think it is section 167, subsection 3, which reads:

> Upon such conditions as he may impose, the minister may abandon, postpone, release or waive with respect to any or all of the property of a corporation any lien or charge for taxes, interests, penalties, costs and other amounts imposed under this or any predecessor Act.

Mr. Lawlor: We objected to that at that time.

Hon. Mr. Meen: That's a rather typical section. Again, we've got the same provision in the Land Transfer Tax Act, section 6, subsection 3. I suggest the purpose of it is for the kind of thing which I outlined to the members last evening.

Mr. Lawlor: We fought for three days over that.

Hon. Mr. Meen: At one stage we were talking about the release of this lien and I observed that under certain circumstances a solicitor might contact the ministry and say, "I need a lien clearance certificate on this property but obviously there is going to be some tax payable. I don't have the money to pay you now but I can pay you out of the proceeds." On the solicitor's undertaking to pay the amount of tax exigible on the completion of the sale, the ministry could issue a lien clearance certificate and deliver it to the solicitor for use when he completes the transaction. It is for purposes such as that that subsection 8 is included in section 5.

Mr. Singer: Mr. Chairman, I can't accept the fact that there may be similar sections in other statutes. This statute is before us and that kind of ex post facto argument doesn't impress me at all. I have read the section. It gives far too broad a discretion to the minister and I don't think the minister should have that kind of discretion in this statute.

His last example about a solicitor phoning and saying, "We can't pay the tax now but we'll pay it out of the proceeds" seems to be somewhat specious because if the proceeds are forthcoming at the time of the sale, surely it would be the simplest thing in the world for the vendor to provide direction that out of the proceeds X per cent be made payable to the Treasurer of Ontario, which would at that time discharge any lien. The balance, whatever that may be, would be payable to the vendor or however else the vendor may direct.

Unless the minister is prepared to put some limits upon the opening phraseology, "upon such conditions as he may impose," I don't think I can support that section. I think it is a bad section for a taxing statute. I don't think any taxing minister should have that kind of authority. It invites abuse—I'm not suggesting that this minister is going to abuse it—but it invites abuse of the process.

I don't think it should be there because this is going to be a very difficult statute to administer and I don't think the Legislature should open the door to the kind of pressures which may arise by allowing this blanket permission to the minister to avoid the lien.

If there were some conditions on which the lien could be avoided, if there was something to replace it, I would look at it differently. But that, together with the first part of the regulation section, to me are complete anathema and I just can't support them, Mr. Chairman.

Mr. Chairman: The member for Riverdale.

Mr. Renwick: I have a question that concerns me. Subsection 1 of this section 5 states that the tax, until paid, is a special lien having priority over every other claim. I take it that that is exactly what the statute says: "Every tax imposed upon designated land by this Act is until paid a special lien in favour of Her Majesty upon the designated land . . ."

Does the abandonment, or release, or waiver of the special lien under section 8 discharge the tax?

Hon. Mr. Meen: Mr. Chairman, no. I recognize the point the member is making. It's not our intention to treat it that way and certainly we do not think it does. We say under sub 1, every tax until paid constitutes a special lien. Now, we say however—in effect, we are qualifying that:

> Upon such conditions as he may impose, the minister may abandon, postpone, release or waive with respect to all or any part of the designated land any special lien conferred by this Act.

Subsection 8 modifies this subsection 1.

I have wondered, too, but my counsel tell me that this is clear and there is no question that the tax still remains a tax payable even though the lien has been wiped out. But I must say I raised the same question in my own mind.

Mr. Renwick: I think it's passing strange that under subsections 2 and 3 you have the saving clause with respect to the continuing liability of the transferor with respect to the payment of the tax, and you don't have it in subsection 8. It would appear to me that there must be some Latin maxim which covers that in the way which would allow at least an argument to be made in the court that a waiver of the lien or a release of the lien under subsection 8 would in fact discharge the tax that was payable.

I refer specifically to the end of subsection 2 and the end of subsection 3 where it says: " . . . and the giving of the certificate does not impair or relieve the transferor from his responsibility to pay any tax imposed by this Act." And at the bottom: " . . . but the making of such affidavit does not impair or relieve the transferor from his responsibility to pay any tax imposed by this Act." I still think that you should have a saving clause in subsection 8.

Hon. Mr. Meen: Yes, as I say, I had wondered about that but I am advised that it does not release the liability to pay. It could be that those clauses in subsections 2 and 3 of the section are superfluous, but I recognize the problem.

I'd like to see maybe either it added in sometime or else deleted from the other two, although I think it helps to clarify the position in subsections 2 and 3 to have it in.

Mr. Chairman: Shall subsection 8 then stand as part of the bill?

Mr. Singer: No.

Mr. Chairman: Those in favour of subsection 8 standing as part of the bill will please say "aye."

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

I declare the subsection carried.

Section 5 agreed to.

On section 6:

Mr. Chairman: The member for Riverdale.

Mr. Renwick: You will notice, Mr. Chairman—I am sure the minister will notice since it is his bill—that opposite this section is the term "avoidance."

Mr. Lawlor: Yes, it doesn't do what you say it is going to do.

Mr. Renwick: And if my memory serves me correctly, elsewhere later in this Act there is a provision with respect to evasion.

Mr. Bullbrook: Were you looking at 16?

Mr. Renwick: Maybe I was thinking of 16.

Mr. Bullbrook: Section 16(3)(b).

Mr. Renwick: Yes, to evade; subsection 3(b). I take it that this has just been taken holus-bolus out of one of the other taxing statutes. The language sounds very familiar from the Income Tax Act of Canada.

Hon. Mr. Meen: Yes, it is based on section 55 of the Income Tax Act, Mr. Chairman.

Mr. Renwick: Yes, I thought so. Perhaps it is worth the minister putting on the record his understanding of the section, because it is supposed to be trite law that a person is so entitled to arrange his affairs with respect to taxing matters that he pays the least amount of tax, and that that tax avoidance is perfectly proper and perfectly legal as distinct from tax evasion, which is an intention to evade paying the tax which is properly payable.

This is a situation where this kind of language tries to say both things, that what is otherwise proper becomes improper if the conclusion can be made that "he may reasonably be considered to have artificially or unduly reduced the amount of the taxable value of the designated land that he has disposed of [and] the taxable value shall be computed as if such reduction had not occurred."

Why isn't it quite proper, within the framework of this taxing statute, for persons to make such arrangements of their affairs so that if they do in fact effect a disposition that escapes the net set out by the tax collector, the Minister of Revenue in this statute, they are entitled to have the benefit of it?

Mr. Singer: Well, perhaps before the Minister answers that—

Hon. Mr. Meen: I will answer that, and then I will be happy to listen to the member for Downsview.

Mr. Singer: I beg your pardon?

Hon. Mr. Meen: The operative words really are "artificially and unduly." That is the same phraseology that appears in section 55.

> For the purposes of this subdivision [it says in section 55 of the Income Tax Act], where the result of one or more sales, exchanges, declarations of trust, or other transactions of any kind whatsoever is that a taxpayer has disposed of property under circumstances such that he may reasonably be considered to have artificially or unduly
>
> (a) reduced the amount of his gain from the disposition,
>
> (b) created as loss from the disposition, or
>
> (c) increased the amount of his loss from the disposition,
>
> the taxpayer's gain or loss, as the case may be, from the disposition of the property shall be computed as if such reduction, creation or increase, as the case may be, had not occurred.

The hon. members will note a distinct similarity between that section 55 and the present section 6 we are looking at in this bill.

Tax avoidance per se, I agree with the member for Riverdale, has always been something that clever lawyers felt they could advise their clients to do in a legal way—

Mr. Renwick: Not only that, it has been upheld by the Supreme Court of Canada.

Hon. Mr. Meen: —but the way in which this is set up, what they are talking about as a tax avoidance here would be a manner in which the tax was added back in but, in my opinion, would not carry with it the same criminal connotation as under the sections of the Income Tax Act dealing with tax evasion.

I think there is a nice difference between the nature of the penalties and interest that are charged for offences under section 55 for avoidance and the other sections of the Income Tax Act dealing with evasion.

Although I think it is a proper thing for a lawyer or an accountant to advise his client as to how best to arrange or organize his affairs to minimize his tax, that's not what we are getting at here when we are talking about arrangements such as to artificially or unduly reduce the amount of the taxable value of the designated land that he has disposed of. That's a very different thing.

Mr. Singer: The minister has just confirmed my worst fears. What bothers me is that when we were talking about those sections on page 5, section 1, subsection (d), parts (v), (vi) and (vii), the minister threw out the thought that if someone availed themselves of those provisions of the statute, the minister was going to descend on them under section 6, if they did it with the idea of avoiding tax.

I agree completely with what the member for Riverdale has said; that avoidance, as long as it is within the law, is legitimate. It is accepted by the highest court in the land, the Supreme Court of Canada. It is accepted by the House of Lords in the United Kingdom. It is the way in which these things are looked at.

What the minister seems to have said just a few moments ago is that if someone avails himself of the provisions of those parts of section 1 and puts himself in the position where he can avoid a tax, the minister comes to the conclusion that if the taxpayer "may reasonably be considered to have artificially or unduly reduced the amount of taxable value of designated land that he has disposed of, the taxable value shall be computed as if such reduction had not occurred."

I think he defeats completely all established tax law. Would the minister consider the addition to section 6 of a phrase to the effect that, "shall be computed as if such reduction had not occurred, provided that the provisions of this Act have not been complied with." It would be something to that effect. I am not quite sure of my instant draftsmanship as I am standing on my feet, but the intent is pretty obvious.

I don't think it is reasonable that we should accept what the minister said several days ago, since now, apparently, he is saying that if someone can legally bring himself within certain provisions of this Act and so avoid the tax, that the minister can then descend on him under the provisions of section 6, because someone else has deemed that they have artificially or unduly reduced the amount of the taxable value of the designated land or even eliminated it.

What we were suggesting—what my colleague from Sarnia particularly was suggesting when we got started on this, and several of us joined in—was that it is not beyond human imagination, in fact, it's logical to expect, that some people may find it worth their while to create the structures mentioned in (v), (vi) and (vii) of 1 (d) in order to legally avoid the tax.

Now, the minute we opposed (v), (vi) and (vii) for that reason, the minister insisted that they stay. We divided the House on it. The majority of the House insisted that they stay. Now, since the minister insists that they stay, then he should honour them. And then I think that he should qualify section 6 so that he can't negate the previous provisions of the statute which he has insisted remain in the statute.

Hon. Mr. Meen: Mr. Chairman, I think it's quite obvious that if the steps are taken pursuant to the statute, then one could not hold that they were artificially or unduly reduced. If he has complied with the statute, then he hasn't done anything artificial. But if he has, in fact, availed himself of some subterfuge which is not specifically provided for, or which was not contemplated and which, as a result, artificially or unduly reduced the amount, then—

Mr. Bullbrook: You keep on saying, "which is not contemplated."

Hon. Mr. Meen: —the provision for assessment by the minister, beginning with section 8, would be appropriate and the normal mechanisms would flow from that.

Mr. Chairman: The hon. member for Lakeshore.

Mr. Lawlor: Mr. Chairman, in my, not judicial but in my legislative wisdom, reading this clause I am not going to argue that it doesn't do what you think it is supposed to do; although I don't think it does. But when you read that clause at the first blush—and

even after a few readings—it doesn't seem to encompass, at least in clear terms, what you are apparently after here.

This is the clause that forced this debate. Day after day you have referred us to that which would move in on collusions of all kinds; participations by anyone engaged in or who had an interest in the transaction by way of a fraud vis-à-vis the government. I wish you would say so. I really wish you'd get down to that. I think it can be said in plain and terse English to that effect.

I think a fair reading of it, an immediate reading of the clause, is it seems to fall basically on the transferor, although that's not your intention. The breadth of the wording is such that one would have very grave difficulties in coming to the conclusion that this encapsulates all forms of collusion, any type of trespassing or trying to undermine the statute itself.

The chief purpose, I take it, of 16(c) of the section on evasion is somewhat allied to and in line with and a confirmation of the contents of this particular clause—if this clause means as much as you seem to think it means. This is a question of evasion of tax. Why don't you say so? If you've caught it under a subsequent section, which we will come to, so be it and that's the way it ought to be.

This particular clause, it seems to me, is obfuscatory and it is difficult to disentangle what the intent of the section is. Certainly a clause of this magnitude with the weighty importance it must have for people involved in transactions, because of this gravamen, I would think the clause should be as crystal clear as you can get it with all the difficulty involved. This is very far from that.

Hon. Mr. Meen: Mr. Chairman, one of the difficulties one encounters in trying to make something crystal clear is that he might very well limit it in its form and in its extent and make it all the easier to evade the payment of some tax by way of some artificial or unduly characterized series of negotiations.

The federal Act which is drafted in very similar language, as I read to the members, has been interpreted to cover all kinds of things, such as a series of corporate transactions which has been set up for the purpose of tax avoidance but which has been held to have been, I suppose, a form of tax evasion.

I think in the circumstances here the ministry, suspecting there was collusion or some kind of collusive action between the parties or that some kind of steps had been taken with the deliberate intent of artificially or unduly reducing the tax payable or avoiding it altogether perhaps, would make an appropriate assessment. Then, as I indicated, it would be up to the courts, by the procedures set out beginning with section 8, to determine whether, in fact, there had been some collusive action or whether, in fact, there had been some steps taken which artificially or unduly reduced the amount of the tax payable.

Mr. Lawlor: In your law you do not often call upon the federal government in condemnation of your particular malpractices but when it suits your purposes you do so well. It seems to me that the casting of the net as broadly as that really means it's a kind of regimen of terror because the Act is so defective, so full of loopholes and so difficult to construe in most of its provisions. You use it simply by way of blandishment or by way of an overall brolly held like a Damoclean sword, wavering above all the heads at once. Who knows, the sword may fall.

The way you're going to keep them honest is not by well drafted and precisely structured legislation as to what the contour lines are, but by throwing the blanket so broadly that by way of confusion, by way of irrationality, by way of forfending and straight fear, you're going to get this Act into operation and make it operative.

That seems to me a kind of perversion, a kind of way of doing things indirectly and by cross sections that you can't do, or are unable to do, or haven't done, so far as this legislation is concerned, in a direct, forceful, honest and intelligent way, and that's the bringing into effect of a section like that.

Mr. Chairman: The hon. member for Sarnia.

Mr. Bullbrook: Yes, thank you, Mr. Chairman. I want to bring to the attention of the minister and all members of the House the fact that the minister seems to rely upon the efficacy and equity of section 55 of the Income Tax Act.

That section relates to the computation of income. It is worthy of comment, and I ask the consideration of our colleagues. That section begins: "For the purpose of this subdivision." The subdivision that is related to is subdivision (b) of the Income Tax Act, namely, with respect to the computation of income. Basically the intent of the legislation there is not only efficacious but acceptable and equitable. What they are saying there, in effect, is if, through a scheme, you arti-

ficially or unduly create a loss of income, or increase a loss which already exists, or reduce the amount of a gain, then that affects the computation of your income.

The House of Commons understood what it was doing. They say, "For the purpose of this subdivision." Subdivision (a) is the liability for tax. In other words, section 55 of the Income Tax Act does not affect the liability for tax. That is understood. Or they wouldn't have put it in. They would have said, "For the purposes of this Act," or they would have left out the preamble, "For the purposes of this subdivision."

So I think we, as reasonable people, can assume that they intended only that the words "artificially or unduly" relate to the computation of income.

Here, of course, it is a much different thing. What you have done is plucked it out of the federal Act and applied it to the taxable value of land, which you define in your first section. What you are saying, in effect, is a much more onerous thing here. You are saying, in effect, that if, as the result of the disposition of designated land, you unduly decrease the taxable value of land—and I am really worried about the word "unduly" there; artificially is one thing, but I am really worried about the word "unduly," because, again going back to section 55, the word unduly did have application with respect to the computation of income. But what you are saying here now, by plucking out that statute, is that if you unduly create a taxable loss with respect to the disposition of designated land—over which you might sometimes have no control at all, may I say—then you are deemed to have disposed of it at the taxable value that it had, notwithstanding the loss that was suffered as a result of the disposition.

I see a distinction here, I really do. I don't think you can pluck that section out and relate it to the taxable value of land. There is a distinct purpose, in the computation of a taxpayer's income, to put those sections in, but you can't affect a man's right of disposal where there is an undue loss over which he might have no control at all. I think that's really the concern originally expressed by the member for Riverdale. It is, in point of fact, an undue loss, but under this section you deem that the taxable value is as originally defined under your definition of taxable value.

I am worried about—I use the phrase again—the ability that you have to pluck that section out, because I can see the purpose of it in connection with the computation of income. I would be interested in the minister's response and perhaps in the comments of other members.

Mr. Chairman: The hon. member for Riverdale.

Mr. Renwick: Mr. Chairman, I think the matter deserves a few moments further consideration. I am going to propose that we delete the section from the bill, and I will do that in a moment.

I share what the member for Sarnia has said, and what my colleague from Lakeshore has commented about, and also the member for Downsview, on this particular clause.

There may well be an appropriate reason, as stated by the member for Sarnia, for this kind of a clause related to that particular portion of the Income Tax Act of Canada, and I share the elucidation of it that he made for the minister's benefit.

We are talking here about a different kind of taxing statute. This is a taxing statute which, above all else, must be clear, both because of the quantum of the tax which you are imposing in the one place, and secondly, because you are dealing with land.

It does not seem to me that you should place persons owning land in the Province of Ontario and their advisers in that position. We don't need to add the adjectival description of their advisers. It's legitimate in tax accounting and legitimate in tax law to advise people as to what they're entitled to do. I do not think we should be a party to the kind of law which will result in a tax lawyer or a tax accountant or an informed layman saying to himself: "I think what I am doing in accordance with everything else in the statute is perfectly all right, but I will never know, because somebody may be able to say, using these weasel words, that what I have done has artificially or unduly reduced the amount of the taxable value."

Mr. Singer: Even if you brought yourself under another section.

Mr. Renwick: Yes, even if you had clearly complied with every other provision of the Act. The scheme was laid out; you knew exactly what you were doing. You were advised that this is what you could do. The tax lawyer or the tax accountant is always going to have to say: "My opinion is subject to section 6 of the bill, about which I am not going to express any opinion to you, my client."

Taxable value, as the member for Sarnia points out, brings us right back to the definition section. Taxable value is quite straightforwardly defined in subsection (o) of section 1 of the bill which says:

> "Taxable value" when used in relation to designated land means the amount by which the proceeds of disposition of designated land [and the proceeds of disposition is a defined term; designated land is a defined term] exceed the adjusted value of that designated land [adjusted value of the designated land is a defined term] and the taxable value of designated land shall be computed separately for each disposition of designated land.

That's the whole gut scheme of the Act. It seems to me that people are entitled to look to the very definitions which are involved in this bill. And I'm glad I've talked on at this length because I think I've got a clue as to the reasons for it.

It's very interesting, as the member for Sarnia said, that in the Income Tax Act they are talking about the computation of income. As everyone knows, despite the fact that it's called an income tax Act, the word "income" is not defined, nor really is the word "profit," nor really is the word "loss," except in contradistinction to profit. There are multitudinous ways in which people can compute their income in accordance with accounting principles. I can see, on balance, the revenue needs the protection under the Income Tax Act with respect to that kind of ordering of very complicated accounting affairs. This is not designed to be a complicated Act. This is designed to provide clear definitions in the definition section and those definitions have to stand or fall by themselves.

I do not think that it is within any concept of political economy in terms of taxing philosophy, as we understand it, that you can then give the minister the determination, which is really what you're doing. Ultimately the matter may go to a court, if it's disputed. But in the initial instance we're saying if the person, the transferor, can be said to have acted "under circumstances such that he [the transferor] may reasonably be considered to have artificially or unduly reduced the amount of the taxable value of the designated land," it's the minister who is going to make that determination in the first instance. He is the one who is going to say that—

Hon. Mr. Meen: Subject to appeal, of course.

Mr. Renwick: Yes, that is right. I don't think that in this kind of a taxing statute the revenue needs that protection. If you find that there are loopholes, you have to do what they've had to do in the Income Tax Act and other taxing statutes; you've got to come in with the amendment to close the loopholes. But you cannot have this kind of weasel language here, which means that you would vitiate in a very real sense the very definitions over which we laboured for many hours in this committee, trying to make them clear and understandable.

Well, if we are not making any progress with the minister, all I can do, assuming we have five members in the opposition benches, which we do happen to have, and if we have their support, is to move the deletion of section 6 of the bill.

Mr. Singer: We'll just vote against it.

Mr. Renwick: Yes, vote against it.

Mr. Singer: Yes.

Hon. Mr. Meen: Obviously I can't accede to that. To remove that section would, of course, wipe out the Act so far as the right of the minister to look at any of these transactions and to make an assessment is concerned. I would suggest to the members that maybe that's what the NDP would like, but that is not what the Liberal Party would want and it's not what we want.

Mr. Renwick: Of course they do.

Hon. Mr. Meen: I might observe that one of the clearer cases that would be dealt with under section 6, apart from collusion, which I think is quite clearly within the four corners of section 6, is the matter of, say, the renovator who perhaps artificially inflates the bills which he alleges he has paid for renovations in a house in order to achieve the 20 per cent figure. If the minister determines that those have been artificially inflated, then, of course, he would make an assessment accordingly.

That's the kind of thing we are talking about in section 6, and it's essential that that be part of the bill. Without it, you could forget about the bill. So I would have to oppose any such suggestion that we not approve section 6 and would certainly urge the members to approve it.

Mr. Bullbrook: I want to say, if I may—I am not going to belabour the argument—that it is indeed unfortunate that the minister doesn't do us the courtesy, and I don't mean this personally, of even responding to

our comments as to the technical application of these words in the context of the words of the Income Tax Act, because there is a distinction there. I am going to exaggerate for clarity—

Hon. Mr. Meen: All right. I heard the member. May I just apologize to him? I intended to respond—

Mr. Bullbrook: I am not going to make the argument again.

Hon. Mr. Meen: All right.

Mr. Bullbrook: I am going to exaggerate for the sake of clarity. A man has a hotel worth a quarter of a million dollars; it burns down. Okay? He collects the insurance. The designated value as of valuation date is a quarter of a million dollars. He then sells the land for $100,000.

I want to read the section, as I understand it. It says:

> Where the result of one or more sales, exchanges, declarations of trust, or other transactions of any kind whatever is that a transferor has disposed of property under circumstances that he may reasonably be considered to have . . . unduly reduced—

The court is called upon there to say whether he in effect reduced the value. Again, I tell you, I just exaggerate for the sake of clarity; I don't think any court in the world would say that that's where the distinction comes between the Income Tax Act of Canada, where it says for the purpose of computation of income, not for the purpose, as the member for Riverdale says, of arriving at a defined thing, namely, taxable value.

The situation in that exaggerated example is that he is disposing of land that has unduly depreciated as far as taxable value is concerned. Maybe he is not the author of it, and perhaps that is where he extricates himself from this section. Perhaps it's a poor example, but that basically is the type of factual situation that we worry about—and we don't worry about it when you are arriving at a computation of that undefined term called income.

Hon. Mr. Meen: I don't know whether the illustration given by the member for Sarnia is a good one or not, because the act of God situation may very well take him out of that kind of operation of section 55; it might take him out of the operation of this section. But that is not the kind of circumstance one would anticipate this section to be basically applicable to—

Mr. Lawlor: There's only one act of God around here and that is the act of the minister.

Hon. Mr. Meen: —just like section 55, which doesn't impute a criminal intent to the taxpayer. It simply says, "We consider what you did to be not a proper course of action, in trying to moderate or reduce your taxes to the minimum, and so we will call it an avoidance rather than an evasion." It simply provides in subdivision (b) for adding back the adjusted amount into the taxpayers' income for the purpose of computation of the tax assessable under subdivision (a), I think it is.

I think the analogy here is fairly close to that situation. We are saying, "Look, for whatever reason we think that you have reduced the taxable value of the designated land we are making an appropriate assessment which you may appeal in the normal channels through the courts."

Mr. Chairman: All those in favour of section 6 forming a part of the bill, please say "aye."

All opposed please say "nay."

In my opinion the "ayes" have it.

Mr. Lawlor: No stacking.

Mr. Chairman: Call in the members. Stack it? Do the hon. members want to stack it?

Mr. Singer: No, don't stack it.

The committee divided on the motion that section 6 shall stand as part of the bill, which was approved on the following vote:

Clerk of the House: Mr. Chairman the "ayes" are 53 and the "nays" are 29.

Mr. Chairman: I declare the section stands as part of the bill.

Section 6 agreed to.

Section 7 agreed to.

On section 8:

Mr. Chairman: Section 8?

Order please. On which subsection?

Mr. Renwick: Pardon?

Mr. Chairman: On which subsection?

Mr. Renwick: I just want to hold the section.

Mr. Chairman: Any comments, questions or amendments on any subsection of section 8? If so, which one?

Mr. Renwick: I'm concerned about subsection 4.

Mr. Chairman: Anything before 4? Subsections 1, 2 and 3 then shall stand as part of the bill. The member for Riverdale on subsection 4.

Mr. Renwick: Why does the minister have to have, under subsection 4, a wide-open right, at any time that he considers reasonable, to assess or reassess any tax payable by any person under the Act? Why isn't there some limitation period, as there is in any other normal, reasonable taxing statute?

Hon. Mr. Meen: With the qualifications the member applied I'm not sure whether he'd allow me to refer to some of our other taxing statutes or not. But I might refer him to the Gasoline Tax Act, that has, I believe, an identical section to this. It is simply this, Mr. Chairman, one never knows how long, particularly with real estate, these matters may remain without anything coming to the attention of the ministry.

For example, under a deemed disposition by way of merger or amalgamation it might be years before something of this sort came to the attention of the ministry. Therefore it is not at all appropriate that there should be a time limit.

Mr. Renwick: Let me say that it is appropriate. One of the things which they at least tried to do in the Carter commission and under the Income Tax Act was to define the situations under which assessments were closed and final. I don't care what the time limit is that the minister may choose to put in, but there should be a time limit where, in cases of bona fide good faith and no fraud or misrepresentation by the taxpayer, the matter should be over, done with and terminated.

There is just no excuse for the minister thinking that he can have it just the way he wants to have it every time. Surely a taxpayer is entitled at some point, in the absence of fraud or misrepresentation on his part, to know that the matter is final and closed and if whatever tax was exigible has been paid, that's the end of it; if no tax has been levied, that's the end of it.

Mr. Chairman: Shall subsection 4 of section 8 stand as part of the bill?

Mr. Renwick: No.

Mr. Bullbrook: I just want to make a comment.

Mr. Chairman: The member for Sarnia.

Mr. Bullbrook: The problem — to the minister, through the chairman—is that not only is there a tax liability but this statute goes further. This statute claims a lien with respect to a tax liability.

The member for Riverdale is quite right. As you know well, there are specific times for doing things under the Income Tax Act. There are specific times for assessment, for notices of objection, for appeals, for the right of the government to assess, or to reassess, for that matter. But superimposed upon that fact is that here the minister attempts to give himself, without restriction, a right to reassess a taxpayer at any time that he wishes. You've got the problem of the fact that there continues to be a lien in connection with any tax liability.

I wonder if the minister would comment with respect to that.

Hon. Mr. Meen: Mr. Chairman, if a lien has been released, as it would be in a normal transaction, then it can never arise again. So that problem doesn't come up.

I recognize that it may look rather high-handed in the general sense of an assessment being made. But suppose a misrepresentation has been made, suppose—as I mentioned to the member for Riverdale—there is a case of a merger or amalgamation in which there is nothing on the registry records to trigger the matter coming to the attention of the ministry. This kind of thing, therefore, simply cannot be subject to a time limit.

Mr. Bullbrook: Section 56(2), is it? I don't know whether it is or not, I'm not going to look at the statute—always gave the Minister of National Revenue in connection with a fraudulent misrepresentation—

Mr. Singer: Yes, he can go in anytime.

Mr. Bullbrook: He can go in any time he wants to. That's all the member for Riverdale and the rest of us are asking. You don't cloud the taxpayer with what, in effect, is an eternal burden. You let him know what his position is. If he has been fraudulent, then you say fine, we'll go in. But why not do it in that manner?

Mr. Singer: Mr. Chairman, the minister, under section 7, says that where there is a refund, if it isn't applied for within three

years, you can't get it back. But now, where a mistake has been made and he doesn't limit it to fraudulent mistakes or criminal mistakes or deliberate mistakes—any kind of a mistake—the minister may at any time go in.

Does that mean that people are compelled to keep their records forever? It isn't reasonable. Surely you can limit that in the same kind of concept that the Income Tax Act is limited. Where everyone has acted in good faith, or where the taxpayer has acted in good faith and there is nothing criminal about it, then there should be a time limit.

Take the minister's own time limit of three years where he says he won't pay a refund unless you apply for it within three years. If the minister is going to be consistent, why doesn't he give a refund at any time? Probably because he would find it would be very inconvenient to keep those records ad infinitum. Why then should a taxpayer be expected to keep his records ad infinitum if he has acted honestly?

Hon. Mr. Meen: Mr. Chairman, my answer is essentially the same. We have no way of knowing, under this section—unless I were to try to set out the kind of offence that we are talking about—I think I have no way to know whether a time limit of, say, seven years or 10 years or 15 years, is at all realistic. Certainly for many of these transactions it would be.

I would think that if a taxpayer wanted to be reassured that there would be no liability, he could make application after X number of years if he wanted to toss out his old records.

But there may well be cases that couldn't come to the attention of the ministry for many years following the time of disposition or deemed disposition. I'm in no position where I can suggest any kind of date that would be a practical period. Certainly not a short period of time like three years.

Mr. Singer: Where does the minister find any authority in the Act that allows a taxpayer to apply for permission to discard his records? All you say in subsection 4 of section 8 is: "The minister may, at any time he considers reasonable, assess or reassess any tax payable by any person under this Act." Theoretically you could come in 10 years later and say: "Oh, I guess you have to pay another tax. Send us $100,000 plus interest at whatever per cent payable compounded over the last 10 years."

It doesn't make sense. It isn't fair. It isn't logical. It isn't in keeping with the scheme set down by the minister himself for a payment of refunds. You just want everything your own way in this Act. You want to be able to do anything at all at any time that you deem is reasonable. We just voted on in section 6 the power to override the provisions of other sections. Now you want the power to go in and reassess at any time whether there is fraud or connivance or deliberate avoidance or anything at all. It is a bad, bad section.

Mr. Chairman: Does subsection 4 stand as part of the bill?

Mr. Singer: No.

Mr. Chairman: Those in favour of subsection 4 standing as part of the bill will please say "aye."

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

I declare subsection 4 as part of the bill.

Subsection 5? Any comments, questions or amendments on the later subsections of this section? If so, which section; if not the rest of section 8 shall carry.

Section 8 agreed to.

Section 9 agreed to.

On section 10:

Mr. Chairman: Section 10; any comments, questions or amendments on any of those subsections? If so, which subsection?

Mr. Singer: Yes. Let's look at the scheme under section 10, the appeal section from the minister to the courts, bearing in mind section 8(4) where the minister may at any time he considers reasonable assess and reassess. Then after the minister has given notice required by subsection 3 of section 9, the person who has served notice of objection may appeal to the Supreme Court:

> . . . but no appeal under this section shall be instituted after the expiration of 90 days from the date on which the notice has been mailed to such person under subsection 3 of section 9, and an appeal under this section shall not be made to the divisional court.

Let's presume under section 8(4) the minister has reassessed seven years after the date. Then he sends out a notice to somebody who may or may not be there at that time, who may have moved and may have had six different mailing addresses since.

The minister has discharged his obligation by putting a letter in the mail. Once the letter has gone in the mail with the assessment, there is no appeal to be instituted after the expiration of 90 days from which the notice has been mailed. Is that fair? Bearing in mind that you can come in anytime you want, and presumably you are going to mail it to the last known address, you can come in, say, seven, eight, or 10 or 15 years later and reassess, then you have discharged your obligation and eliminated the right to appeal if you put a piece of paper in the mail whether it is delivered or not.

Why shouldn't there be service on the taxpayer if you are going to do it, or at least mailing by registered mail with proof of service or something of that sort? Surely the taxpayer is entitled to have some kind of notice, keeping in mind again, and I can't overemphasize this, section 8(4) allows the minister to come in at any time.

Hon. Mr. Meen: We are dealing with an appeal following the notice of objection filed under section 9(1). Mr. Chairman, we went by that section. It says:

> Where a person objects to an assessment [and I am reading from section 9(1)] under section 8, [and that is what we are talking about] . . . within 90 days [of the assessment he has to serve the minister with notice. Then under section 10] After the minister has given the notification required by subsection 3 of section 9, a person who has served notice of objection under section 9 may appeal to the Supreme Court.

So each one has a period of 90 days.

Mr. Chairman: Shall this subsection stand as part of the bill?

Subsection 1 agreed to.

Mr. Bullbrook: Why do you not make any provision for interest to be paid on a refund order?

Hon. Mr. Meen: Which section is the hon. member referring to there, Mr. Chairman?

Mr. Bullbrook: Subsection 7 says:

> The court may dispose of an appeal by allowing it, by dismissing it, or by allowing it in part and directing the minister to vacate the assessment, vary the assessment or reconsider the assessment and reassess as indicated by the judgement of the court.

Subsection 8:

> In delivering judgement disposing of an appeal, the court may order payment or refund of tax by the appellant or by the Treasurer as the case may be . . .

The minister has provided for the taxpayer to be responsible for interest. In the next section, for example, if any payment is made pursuant to the Act, the payment is for interest first. Why doesn't the minister consider paying the taxpayer interest if he has improperly assessed him?

Hon. Mr. Meen: I have a provision in the section dealing with abatement of a refund which provides, as the hon. members will have noticed in section 7, for interest at such rate as may be established, I think. Let me just take a look at this.

No, I haven't—at least I don't see it there. But it had been my expectation that interest would be allowed at a modest amount on any moneys that were repaid, Mr. Chairman. I may be thinking in terms of tax paid under protest but I can't put my finger on it right at the moment.

Mr. Bullbrook: Do I take it that the minister is sympathetic to the concept of interest where there has been an erroneous assessment and payment of tax?

Hon. Mr. Meen: Yes, I am, Mr. Chairman. In fact I have been reminded that section 22 (2) (i) provides for the establishment of the amount by regulation and that's what I had in mind. I was looking around for it.

Mr. Chairman: Shall section 10 then stand as part of the bill?

Section 10 agreed to.

Mr. Bullbrook: Mr. Chairman, I was looking at the wording to make sure that—I am sorry to take your time—I was making sure that the wording was covered under not only a voluntary refund but a refund pursuant to an order of the court.

Section 11 agreed to.

On section 12:

Mr. Chairman: Section 12. There are a number of subsections here. Any comments, questions or amendments on any subsection? If so, which one?

Mr. Bullbrook: I would think the member for Downsview would be interested in this section.

Mr. Singer: I am, Mr. Chairman.

Mr. Chairman: Which subsection?

Mr. Singer: Section 12(1):

> Any person authorized by the minister for any purpose related to the administration or enforcement of this Act may at all reasonable times enter into any premises where any business is carried on or any property is kept or anything is done in connection with any business or where any books or records are or should be kept . . . —"

Would that, in the minister's opinion—I know it is the opinion of many lawyers—allow the minister to come into any legal office and run through books and records and documents without any particular authorization? Is that what the minister contemplates under this section?

Hon. Mr. Meen: Mr. Chairman, if that's where the records are to be found, that would be one of the areas in which doubtless the inspection would take place.

Mr. Singer: The minister is not concerned at all about solicitor and client privilege and/or the extent to which persons authorized by the minister may examine legal files and the right of a solicitor to make available to persons authorized by the minister the books or records of accounts or so on of the taxpayer who happens to be the client? Is the minister not concerned with solicitor and client privilege?

Hon. Mr. Meen: Yes, I am, but I don't think that this would intrude on the solicitor-client relationship. I raised the question, I remember, when we had the same sections in the Land Transfer Tax Act and I am advised that this has been tested and found to be not contrary to the solicitor and client relationship although, as a lawyer, I had cause to wonder about that myself. It is not so much communication between the solicitor and client as records of the client dealing with his transaction, Mr. Chairman, and I think that's where the distinction lies.

Mr. Chairman: Shall section 12 then stand as part of the bill?

Mr Lawlor: I trust the minister respects the solicitor's lien in those circumstances before you take the thing away. You pay the boy before you take off with the boodle.

The section, if in no other way, I suspect, offends against certain nostrums of the greatest panjandrum of them all, McRuer. You make no provision, as I remember him making provision, with respect to private dwelling houses. He said that no search and no entry of a private dwelling house ought to take place without judicial authority. As far as this section is concerned, you see fit to ignore that particular injunction. I wonder what consideration you have given that.

Hon. Mr. Meen: I'm sorry, Mr. Chairman, but I didn't follow the hon. member. What we were talking about in the earlier documents, if I can try and grasp what he's saying—and I was looking at subclause 1(d) at the bottom of page 19, if that's what the hon. member is directing his attention to.

Mr. Lawlor: You are way ahead of me.

Hon. Mr. Meen: The auditor or investigator would be there lawfully at the time, that wouldn't be a problem. Is he talking then about entry under other auspices; as for example with a search warrant? Or as in another case in which he suspects there may be documents and he has to descend upon them and seize them without being there in the normal course of auditing.

Mr. Lawlor: No. What I'm directing my remarks to to is two sections as I remember it, in McRuer's recommendations. In section 12, subsection 1, you say: "For the purposes of enforcement and administration of this statute at all reasonable times authorized persons may enter into any premises where any business is carried on or any property is kept." I'm saying have you given sufficient attention, have you really adverted to the injunctions of McRuer with respect to entering private dwelling houses? He says without judicial authority that ought not to be done.

Hon. Mr. Meen: I would agree with his observations, but here in the opening paragraph of subsection (1), just paraphrasing the last two or three lines, we're talking about "or any property is kept or anything is done in connection with any business." I think one would have to assume that would be a business property and not a residence. It is not necessarily the case though, but it is probably broad enough to cover entry. Remember again it would be entry not by way of breaking down a door. This would be entry during normal business hours.

Mr. Lawlor: Why not breaking down a door? I don't see anything in there saying he may not break down the door.

Mr. R. G. Hodgson (Victoria-Haliburton): Nothing there says you should either.

Mr. Lawlor: Well, the presumption is that—

Mr. J. E. Stokes (Thunder Bay): Break down the door if necessary, but not necessarily break down the door.

Hon. Mr. Meen: We haven't worked our way through it yet; we're still talking about section 12, subsection (1). If we can just jump for a moment to subsection (4), it says:

> The minister may, for any purposes related to the administration or enforcement of the Act, with the approval of a judge of the Supreme Court [and so on] . . . upon ex parte application, authorize in writing an officer of the Ministry of Revenue, together with such members of the [OPP] or other peace officers as he calls upon to assist him and such other persons as are named therein, to enter and search, and if necessary by force . . .

That section is the one which contemplates having to enter any place, including a dwelling house no doubt, for the purpose of seizure of documents. What we're talking about here under 12(1) is entry by permission I would say; and that could, by the general wording of 12(1), I expect cover a dwelling house.

Mr. Lawlor: That's precisely my argument. One of my favourite words, as you probably know, is nugatory. The first part, subsection 1 obviates, overcomes and renders nugatory the provisions in subsection 4. You are giving real cognizance to the McRuer nostrums in subsection 4; that's what he was talking about. This is where you go to the court and where you get your authority to enter. I take it this is not just in a context of force where that is necessary, but as they say it the other way, as my friend just said it, if necessary by force, as the section reads.

You don't really have to resort to or utilize the provisions of subsection 4. There would be a context in which you would no doubt do so, but not only may you enter but under clause (d) subsection 1 you may seize and take away in a certain context.

I don't think that seizure and taking away runs contrary to McRuer, by the way. I think when you do find suspicious circumstances you would be justified in doing so. But my feeling with him is that where a private dwelling house is involved, the overriding rule in the matter is that the utilization of subsection 4 would be very much in order. I would suggest that perhaps the minister would give some consideration to altering your legislation to the extent of giving recognition to that particular principle.

Many dwelling houses have certain commercial uses or certain business uses. Many of us have dens or studies or whatnot in which we keep books of account, in which we do even maybe a bit of doodling in the legal line. In that particular way I would hate to think that a fairly fundamental premise in British law is being obviated by this section as it presently stands.

Mr. Chairman: Any further comments?

Hon. Mr. Meen: I was just going to observe, Mr. Chairman, that the subsections 1 and 4 really contemplate different circumstances.

Subsection 1 deals with the rather normal audit that might be conducted of a builder's offices and that sort of thing. When the auditor is in he may come on documents which it is necessary for him to seize. Otherwise, if he goes away to get a warrant to authorize him to take them he may find when he returns with the warrant that the documents or records are no longer there. Paper being paper, it is reasonably easy to dispose of it. So he has to have the authority under subsection 1 to take the documents with him having found them in the first place and being lawfully there.

Then subsection 4 is the case where he may have some notion that documents are elsewhere and he may have no right otherwise or no opportunity to get in to inspect or to seize those documents without triggering the reactions that would inevitably result in their being spirited away or altered or destroyed.

So the two subsections really deal with different circumstances.

Mr. Lawlor: I think when we are drafting sections of this kind some attention should be paid by the draftsmen and by the minister responsible — in no elaborate way — to spelling out the circumstances and context in which the various sections would be used, particularly the penetrations of privacy such as these sections envisage.

A little of what the minister said in good sense just a few minutes ago should be spelled into the course of the section itself, because that ain't the way it is. You don't have to resort to 4, at all in most contexts, it seems to me. You simply ignore 4 and may never utilize it, no matter what the situation is insofar as it suits your purposes, because you have already overridden it in effect in the previous subsection. That's a lamentable situation, and all the good faith in the world is not going to prevent us from

writing arbitrary and even quasi-dictatorial powers into legislation, such as is being done in this context.

Mr. Chairman: Shall section 12 stand as part of the bill then?

Mr. Lawlor: No, I am sorry. Could I just mention for a moment or two subsection 6 of 12—this is where you are supplying copies. It says: "May cause to be made one or more copies thereof". Then it goes on to say that these documents as certified by the minister are admissible as evidence in court. That's fine, you don't have to produce the originals, I suppose, unless they are directly called for by the judge in court. Does that envisage—it doesn't say so but I suspect it may—that copies, if you are going to retain the originals for a while, may be supplied to the individual for whom they were taken? Or is it envisaged that you are going to give the originals back and keep the copies? Or just what does it look into?

Hon. Mr. Meen: I expect it covers all of those, Mr. Chairman. It might be that the taxpayer needed his books back in order to be able to carry on, or it might be that they were required in some other court for some other purpose. It would be unfair to requisition those books, seize those books from him and hold them to his operating detriment when all that is necessary is that appropriate legible copies be available. Pursuant to this section, as certified by the ministry they may be used in the court proceedings as though they were the original.

Mr. Lawlor: I think we should document all this and make little summary notes and headings—do it up in flowered print and send it to the judges of the courts of Ontario. Then they would know what we really want to do.

Section 12 agreed to.

On section 13:

Mr. Chairman: Any comments, questions or amendments on section 13 in any subsection; and if so which one?

Mr. Lawlor: Section 13(3).

Mr. Chairman: Is there anything before 13 (3)?

The member for Lakeshore.

Mr. Lawlor: My penetrating comment on this particular subsection is, what has the minister got in mind in bringing forward this subsection? You are talking about remedies here and then you go off on some elongated tangent:

> . . . remedies provided by this Act for the recovery and enforcement of the payment of any tax are in addition to any other remedies existing by law, and no action or other proceeding taken in any way prejudices, limits or affects any lien, charge or priority existing under this Act or at law in favour of . . .

What are all these other remedies you are talking about? What have you got in mind?

Hon. Mr. Meen: Mr. Chairman, the basic remedy would be the lien, I suppose.

Mr. Lawlor: Right. That's pretty clear.

Hon. Mr. Meen: All right. There may be cases, however, in which the minister has, for good reason at the time, perhaps released the lien and accepted an undertaking from the solicitor acting for the vendor to pay the amount of the tax assessed to be due. It may turn out that, for whatever reason, the counsel who receives the money does not remit the proceeds.

This is the section which would permit the minister, the Crown, to recover the money from the party who received it. It would enable him to recover any other assets which it would not, by the law, have set off against any other moneys which might have been collected for, say, corporation tax. There may be all kinds of ways in which the ministry could recover the amount of the money besides the normal procedure for recovery and the normal sources of the money one would anticipate under this Act. This simply gives the authority to recover in any direction in which the moneys may be available.

Section 13 agreed to.

Mr. Chairman: Are there any comments, questions or amendments to any other section; if so, which one?

On section 14:

Mr. Singer: Section 14, Mr. Chairman, is the garnishee section. Is there any limit? I can't see anything, in any of the subsections, on the amount that may be garnished. Am I reading this correctly when I suggest you can garnish the whole of the salary of a taxpayer in default?

Mr. Lawlor: Garnish the whole salad, not the whole salary.

Mr. Singer: You send a garnishee notice to an employer on account of an employee who is a defaulting taxpayer. Do I read this cor-

rectly when I conclude you can take the whole of his salary, ad infinitum, until the tax is paid? He will have nothing left to live on or are the other statutes relating to garnishee procedures—

Hon. Mr. Meen: I cannot imagine that this would take priority over the Wages Act—is it? If my memory serves me—which places a limitation.

Mr. Singer: Why didn't you say so?

Hon. Mr. Meen: In any event this is not just aimed at that. It's aimed at the general liability of one person for money owing by him to the taxpayer who owes it to the Crown. If there is any impediment on the payment of that money, of course those impediments would apply.

Mr. Singer: Why don't you see what your official said in the note and see who is right?

Mr. Chairman: Shall section 14 stand?

Mr. Renwick: No, Mr. Chairman. As a matter of principle I am opposed to the garnishment of wages under any circumstances. I don't think people earning wages are the kind of people this Act is designed to catch. I'm going to oppose and ask that we record a vote on the garnishment of wages provision in subsection 6 of section 14.

Mr. Chairman: Shall subsection 6 stand as part of the bill?

Mr. Singer: The minister said he can't imagine that other legislation wouldn't prevail. Can you tell us the basis on which you can't imagine that because it seems to me this Act prevails?

Hon. Mr. Meen: I'm advised that the Wages Act does not apply to the Crown which would mean that, technically, the whole of the wages would be exigible. As far as I'm concerned I would never approve that sort of thing. It happens that that is a standard section in all our taxing statutes. I would like to take a look at that some day and determine whether we can't impose a limitation in accordance with the Wages Act for the reasons which would be evident to us all. I don't think we can very simply do it in subsection 6. I would want to take a look at that another time, which I will do.

Mr. Singer: I get very unhappy when the minister stands up and says, "I certainly would never act in that unfair way." Not that I question what the minister is saying but who knows how long he is going to be the minister in that portfolio or have the authority to say it? I don't know how complicated it would be if you wanted to write an exemption there into subsection 6. Why don't you stand subsection 6 down and see if you can use some accommodation?

Some very zealous officer who can act in your name might not even consult you about it. The minister tells me he's got 35 to 40 officers he is appointing, all of whom can act presumably without consulting him. Anything the minister can do can be done by one of his officers, eh? So, an officer without even consulting the minister could go in and grab all of somebody's salary without leaving him enough to live on. I don't know what you are going to achieve by that. He's going to stop working, that's the first thing you are going to achieve. Why can't the ministers stand subsection 6 down to work out an amendment.

Hon. Mr. Meen: Yes. Mr. Chairman, are we down to subsection 6 now?

Mr. Chairman: We are at subsection 6.

Hon. Mr. Meen: We have passed the other five subsections?

Mr. Chairman: Yes. That's my understanding.

Hon. Mr. Meen: I would agree to standing subsection 6 down until 8 o'clock tonight—

Mr. Renwick: Very good.

Hon. Mr. Meen: —because I think that it should be appropriate to have some words in here such as "subject to the provisions of the Wages Act" or however we would refer to that. I will look at that over the dinner hour anyway if the members would prefer.

Mr. Renwick: That shows a commendable degree of flexibility.

Mr. Chairman: I understand all other subsections are carried then, and subsection 6 shall be stood down until later this evening.

On section 15:

Mr. Chairman: Any comments, questions, or amendments on any subsection here?

Section 15 agreed to.

On section 16:

Mr. Chairman: The member for Lakeshore.

Mr. Lawlor: We are back to this evasion bit here, just for a moment or two in any event. It's the business of "every person who has made, participated in, assented to or acquiesced in the making of a false or de-

ceptive statement" required under this Act, or the regulation, is going to be subject to these fairly onerous penalties.

First of all I would like to know from the minister whether—not that it justifies it—but out of what particular legislation this was extracted? Doesn't he feel that that is very widely drawn indeed? I can imagine anyone who made a false statement being caught under this matter. I am still very much concerned throughout this legislation with the onus and weight that you are placing upon solicitors not acting for the vendors or transferors who are the beneficiaries of the profit to be made out of land speculation. It is upon the lawyers and the individuals acting in the purchaser's capacity.

What on earth would be deemed to be acquiescing in, how wide that net is cast, what it really means? That kind of wording, it seems to me, can get a man in jail by merely blinking his eyes if he looks nonchalant—

Hon. Mr. Meen: Oh, no.

Mr. Lawlor: —or shrugs his shoulders wrong on some particular aftenoon. It may be taken very well that he has acquiesced in, or is making a false representation. I would ask that that be given some consideration too. The wording is just too blunt and too wide and has that kind of generality in a penalizing section that may involve many innocent people and very grave consequences.

Hon. Mr. Meen: Mr. Chairman, this section is again very similar to the one such as in our Gasoline Tax Act and others of like nature. The Income Tax Act, I am advised, has similar provision. There are all kinds of people who I suppose would say, "Well, you know, I sort of went along with it." They are cloaked with the same kind of culpability as the person who actually perpetrated the misrepresentation that eventually resulted in the charge being laid under this section. I would suggest it is not too broad. It is consistent with other practices in our taxing statute.

Mr. Chairman: Shall section 16 stand?

Mr. Bullbrook: I want to say to you that you talk about the culpability of a person who has been involved collaterally. You've covered that with the words, "made, participated, assented to or acquiesced in" but the key ingredient the member for Lakeshore talks about is the lack of the word "knowingly." There doesn't have to be any intention on the part of the person who contravenes the section. All you have to do, for the sake of rendering him liable to the punitive aspects of this statute, is prove that it was done.

You amended section 3, as far as the obligation of the solicitor is concerned, to make him liable to it only if he knew there was an obligation with respect to the tax. I've sent back my copy of the Income Tax Act to the library; I'm sorry I did. What is so unattractive about using "everyone who knowingly has"?

Hon. Mr. Meen: Mr. Chairman, we are talking here about a false or deceptive statement. If one makes, participates in the making, assents to or acquiesces in the making of a false or deceptive statement surely he knows? I think it would be redundant in that section to suggest we say, "knowingly makes, participates in, assents to or acquiesces in the making of a false or deceptive statement."

Mr. Bullbrook: Supposing I take an affidavit of exemption—

Hon. Mr. Meen: I'm sorry?

Mr. Bullbrook: Supposing I, as a commissioner, take an affidavit of exemption? I've participated in—and I don't know that I have participated in—the affiant knowingly making a false affidavit. I am a commissioner; I participate in the making of the affidavit.

Hon. Mr. Meen: You are not making it; you are taking it or swearing it but you are not making that affidavit.

Mr. Lawlor: He's acquiescing.

Mr. Bullbrook: You say I am not participating in the making of it?

Hon. Mr. Meen: Not in that sense.

Mr. Bullbrook: I tell you, the problem, again, in connection with this, Mr. Chairman, is the obligation we keep putting upon people. I'm not saying for one moment that you or your officials are going to interpret the statute in this way. I'm saying to you that, as far as concerns the interpretation of the clear, unequivocal, unambiguous wording of that, if I swear an affidavit, if someone swears an affidavit to me, I am participating in the making of a false affidavit.

To begin with, the affidavit can not be made without the affirmation given to the affiant by the commissioner and if he is not participating in it — again I use it as an exaggeration for the sake of clarity and so you understand the word "knowingly" should be there. To begin with, you only want to punish people who have been involved in

this type of conspiracy or overt wrong-doing who knew they were being involved in it. Is there an onus which the word "knowingly" puts in that makes it so unattractive?

Hon. Mr. Meen: Mr. Chairman, I think "knowingly" is redundant. I think, though, that if a commissioner for oaths were to swear an affidavit by his client when he knew that affidavit to be false he would himself be guilty of an offence—not necessarily under this section but he would be guilty of an offence under the Commissioners for taking Affidavits Act. In any event, he would certainly not go scot-free.

Mr. Bullbrook: Can I just say one thing? I am sorry. Look at conspiracy, in (d)—"conspired with any person to commit any offence described in clause a, b or c." Conspiracy is an agreement by one or more persons to perform an illegal act.

Hon. Mr. Meen: Two or more persons.

Mr. Bullbrook: I am sorry, two or more persons; quite right—by two or more persons to commit an illegal act.

It is absolutely essential that a person involved in that type of thing knows he is involved in it.

Hon. Mr. Meen: I know.

Mr. Bullbrook: I can't for the life of me understand why you're not attracted to the word "knowingly." It is in many other punitive statutes and sections.

Mr. Lawlor: It is interesting that you use the word "willingly" in (c).

Hon. Mr. Meen: That's "wilfully."

Mr. Lawlor: Even if you held that the solicitor would not be deemed to be participating in the making of a false affidavit, in the sense that you would use it, I think the member for Sarnia is perfectly right on straight English parsing and semantics alone. The term "acquiesce in" is of such vague and universal import, what does it really mean "to acquiesce"? That he was there? That he seemed to go along? What was he going along with?

He swore the affidavit, he wasn't aware what the contents were or, if he was aware of what they were, he didn't know them to be false. Nevertheless, he was there and on the wording you have here, I think on strict, literal, golden rule interpretation, he's had it if you really wanted to put the blocks to him. You don't want to do that in terms of legislation or any other way.

If you find the word "knowingly" not to be unpalatable to you but simply think it's redundant, might you not bend a little in this particular context because we don't think it's redundant; at least I don't. I think it is very pertinent indeed to what could flow as a criminal penalty arising out of this particular statute. If it's not going to offend you, please put it in.

Hon. Mr. Meen: Mr. Chairman, I simply repeat it would be redundant. My advisers have confirmed that my interpretation of this is correct and it would be simply redundant to put it in. But if the members want to put it in, I suppose—I can see the concern that some would have. The member for Sarnia wants to make sure that if he's participated in the swearing of a false affidavit when he had no knowledge that it was false, he wants to be very sure he's not going to wind up before the discipline committee, if not otherwise involved in a court action under this section.

Mr. Bullbrook: Yes.

Hon. Mr. Meen: I would suppose we could do this. I'm just wondering where I would put it—whether I would put it right at the beginning or whether one would say, "made, participated in." I suppose if you are going to put it in at all it goes in at the beginning.

Mr. Bullbrook: Why don't you put it in there?

Hon. Mr. Meen: It would be, "Knowingly makes, participates in, assents to or acquiesces in the making of a false or deceptive statement" and so on.

Mr. Bullbrook: You don't have to make it present tense; "Every person who has knowingly . . ." Okay?

Hon. Mr. Meen: Then it would apply to all four subsections.

Mr. Bullbrook: We could say, "Every person who has made, knowingly participated in." Okay? Because "assenting to" and "acquiescing to"—

Hon. Mr. Meen: To come back to the member's suggestion, he might find that somebody interpreted taking an affidavit as having participated in the making of it.

Mr. Bullbrook: No; he must knowingly participate in the making of the false statement.

Hon. Mr. Meen: I think it would be incorrect to put it in the lead line of sub 3.

Mr. Bullbrook: Why don't we leave it—

Hon. Mr. Meen: I think if we put it in at all it would be, "knowingly made, participated in, assented to or acquiesced in the making of . . ." It's redundant but—

Mr. Lawlor: That's right. That's the way it should be done.

Hon. Mr. Meen: —I think it will probably take care of the situation.

Mr. Chairman: Does the minister so move then?

Hon. Mr. Meen moves that subsection 3(a) of section 16 be amended by adding the word "knowingly" ahead of the word "made" where it appears in the first line.

Motion agreed to.

Mr. Lawlor: Congratulations.

Mr. Renwick: The minister shows immense flexibility.

Section 16, as amended agreed to.

Mr. Bullbrook: The minister is becoming so flexible if we don't watch it we are going to get through this bill today. Who knows?

Mr. Renwick: No, no.

On section 17:

Mr. Singer: On section 17, Mr. Chairman—

Mr. Chairman: The member for Downsview.

Mr. Singer: —why should there be as long a time as six years to lay an information? Surely the offence should be ascertainable reasonably quickly? The minister has all these powers and all these officials and if he's found something wrong why should he be allowed six years in which to lay an information? How long should the sword hang over the errant taxpayer's head? Shouldn't there be some finality? That's what I was arguing about earlier, but I didn't convince you.

Hon. Mr. Meen: I agree there should be some finality and I think six years is a good period.

Mr. Singer: Why six years? Why not three years?

Mr. Renwick: Put the onus on the government.

Mr. Singer: Yes, but why not three years?

Mr. Renwick: Put the onus on the government.

Mr. Singer: How did you pick six years? What's the rationalization for it?

Hon. Mr. Meen: Very easy, Mr. Chairman. It's the same as in all the other Acts. I think if we were going to change this one, I would want to take a look at all of them. I think that six is a long time but I don't think it's too long. But that's another matter that I intend to take a look at.

Mr. Singer: When do you intend to take a look at it? After the statute has been passed?

Hon. Mr. Meen: When I can get some time, when the legislation is through the House, Mr. Chairman.

Mr. Bullbrook: You should have thought of that ahead of time, may I suggest to you most respectfully. I want to say to you that I think the wording of this section restricts you too much. I agree that six years is too long but I understand the wording of this section, which is different from the limitation under most—I don't think the Criminal Code is in this particular fashion. Your problem here is that you are limited to six years from the factual situation having taken place or the offence having been committed, as I read this. Normally it's from time of knowledge of the offence.

Hon. Mr. Meen: No, this is when the information—

Mr. Singer: No, I don't think—

Mr. Bullbrook: "An information in respect of an offence against this Act shall be laid within six years of the time when the matter of the information arose."

All right, let's just for the sake of—here is the way I like these sections to go—an offence takes place in 1974. Your statute barred in 1981, even if knowledge didn't come to you until 1981, as I read this, whereas it should—

Mr. Singer: No, I don't think that's true.

Mr. Bullbrook: No? Well, that's fine. I want some help on this, becaure the way it should be is that the limitation period should begin to run from the time that the Crown was aware of the factual situation—

Mr. Singer: Which could be forever.

Mr. Bullbrook: —which created the offence.

Mr. Singer: You've got forever plus six years, as I read it.

Hon. Mr. Meen: No, but not the way this section reads. This section reads that from the time when the offence occurred—not when it came to the attention of the minister.

Mr. Bullbrook: That's right. That's right. You agree with me?

Hon. Mr. Meen: I recall that under the Land Transfer Act we had a similar section, with three years in. I think it was the member for Riverdale that suggested we increase that to six years. I'm wondering if under these circumstances—in which some of these things may be just a little nebulous—whether six years is adequate for the information to be laid. This is for the prosecution under section 16—not the recovery of the money for which there is no time limit, as we discussed earlier. This is the laying of the information out of which might arise a prosecution under section 16.

I'm wondering—prompted by the member for Sarnia, and I'm thinking out loud here—whether it wouldn't be appropriate to have this from the time when the matter came to the attention of the minister.

Mr. Singer: That means forever plus six years. Is that what you are saying?

Hon. Mr. Meen: No—potentially. That is the other side of the coin. Are we going to have that sword of Damocles hanging over the head of the malfeasant forever plus six years? That's the other side of the coin.

Mr. Bullbrook: It is obvious my colleague and I don't particularly look upon this the same way, but I really feel that if there is an infraction of the statute, then limitation periods don't run against that infraction until the Crown is aware of it. There's nothing inequitable about that. I must say I don't regard it as a sword of Damocles.

Mr. Singer: Oh, I do.

Mr. Bullbrook: If he's done something wrong then he is entitled to look at the fact that there might be some prosecution of him for it.

Mr. Chairman: Shall section 17 stand as part of the bill?

Mr. Renwick: Mr. Chairman, I have a point on this that I want to share with the minister at 8 o'clock.

It being 6 o'clock, p.m., the House took recess.

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No. 62



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LEGISLATIVE ASSEMBLY OF ONTARIO

The House resumed at 8 o'clock, p.m.

Mr. C. E. McIlveen (Oshawa): Before we start the evening festivities here, Mr. Chairman, I would like to take this opportunity to introduce 14 of our medical secretaries from the Oshawa Medical Secretaries Association. In fact two of them up in the gallery are my own; not my own, but from my office. Now I will explain that again. I refuse to tell the member for Lanark (Mr. Wiseman) who the two are.

Mr. J. H. Jessiman (Fort William): Mr. Chairman, I would like to take this opportunity of introducing to the House the 110 visitors from the Young Voyageurs programme in Thunder Bay. They travelled 17 hours by bus, arriving here this morning—and we welcome them to Toronto.

LAND SPECULATION TAX ACT
(continued)

Mr. Chairman: When we rose at 6 o'clock we had made some progress, but we had stood down section 14, subsection (6). I believe the hon. minister may have something to say about that.

Hon. A. K. Meen (Minister of Revenue): Yes, Mr. Chairman, over the dinner hour I have had a chance to reflect on the observations made by the members of the House, and on my own, and have concluded that the thoughts I expressed at that time could be borne out by an amendment.

Hon. Mr. Meen moves that subsection (6) of section 14 be amended to add at the beginning thereof the words; "subject to the provisions of the Wages Act."

Mr. Chairman: Shall this motion carry?

Motion agreed to.

Section 14, as amended, agreed to.

Mr. Chairman: We were discussing section 17.

On section 17:

Hon. Mr. Meen: On section 17, Mr. Chairman, a question had been raised as to whether the six-year period—or some period such as that—should run from the time when the information first came to the attention of the ministry, or whether it should run only from the time when the cause of action arose, so to speak. It would appear that it is a much safer course of action to pin that down to the dates of, let's say a false affidavit as spelled out by the date that appears on the document — precision in other words — rather than to try to nail down a time when this sort of information might have come to the attention of the ministry or the minister in a large structure, such as a government.

Accordingly, although I recognize that it might be nice to have the longer period of time available that would have been extended had the suggestion been taken up that it run only from the time when it came to the attention of the minister, it would appear to be much firmer—and I think perhaps fairer for the people involved—if it starts to run from the date of the commission of the alleged offence. Accordingly I would not propose that section 17 be changed.

Section 17 agreed to.

On section 18:

Mr. Chairman: Section 18. Any comments, questions or amendments on any subsection of section 18? The member for High Park. On which subsection?

Mr. M. Shulman (High Park): I would first of all like to take the whole section 18.

Mr. Chairman: Well, it's not a matter for general comments. We have had those.

Mr. Shulman: You have already had general comments on section 18?

Mr. Chairman: On the bill.

Mr. Shulman: I am not talking about the bill. I am talking about section 18, which says that you can't tell anybody anything, if I can briefly sum up the section.

Mr. Chairman: That would be 18(1).

Mr. Shulman: There are some problems that come with this section, which I am sure the minister has thought through as he has

all the others. How in the world are we going to know how you are exercising your discretion?

In an earlier section of the bill—I just forget which section it is—and also in a later section, there are provisions given to the minister whereby he may in his discretion allow people not to pay the tax, delay the time in which it can be paid, and so on. Then we have this section which says nobody is going to know nothing about anything and anybody that tells them anything about anything is going to be in serious trouble. There is no exception for MPPs.

We have already gone through this nonsense of the Liquor Licence Board where they had a catch rider section where nobody has ever to give evidence in court and nobody can tell anybody anything else; and I have had enough of that. This bill is an invitation—and here we go again—to all sorts of things.

We have just talked about a section which was an invitation to fraud. This is an invitation to abuse by the ministry. We know we have a wonderful minister now, Mr. Chairman, but how can we be sure he will stay with us forever?

Mr. D. C. MacDonald (York South): Or that he might remain wonderful forever.

Mr. Shulman: Let's suppose he does stay with us, let's suppose we get a guarantee from the government that as they stay in power this minister will stay in his post for the next 25 years. How can we be sure he won't get a little senile? How can we be sure he isn't going to do favours for his friends in the future? How can we be sure the old minister won't get his job back?

Interjection by an hon. member.

Hon. Mr. Meen: You said it.

Mr. Shulman: You can't and you mustn't put in this type of secrecy provision when you have the type of discretionary power that you have given yourself earlier in the bill. I suggest to the minister there's no reason for this secrecy. In years gone by, anyone who wanted to look could go down to the registry office and see what transactions had taken place and at what price. Now the minister had decided, for reasons which I am sure he will explain, we must have secrecy. Before I go any further, will the minister please tell me why section 18?

Mr. J. A. Renwick (Riverdale): That's a very good question.

Hon. Mr. Meen: To begin with, it's standard. It's in section 13 of the Gasoline Tax Act and section 52 of the Gift Tax Act. I can tell you of some of the sections in the other Acts. It's essential that this kind of information not be freely available.

If the hon. member is going to refer to orders that might be made exempting people from tax, orders of that sort are published and members and the public will know them.

This provision, I think, can be said to be also standard in the Retail Sales Tax Act. Where one is checking the corporate records of companies as well as individuals, confidentiality of the information obtained has to be the rule.

Mr. Shulman: There is nothing confidential here.

Hon. Mr. Meen: There is nothing confidential about information that is developed, let us say in the registry office. You can walk into a registry office and take a look at the land transfer tax affidavit and see the nature of the affidavit that is sworn there. You can, from earlier instruments, perhaps surmise the extent to which tax might have been payable, but the extent to which the tax is payable as developed by this Act is a matter that is of a confidential nature and should only come from the taxpayer himself.

This is the same kind of provision that we have already seen—and I know the hon. members don't agree with me on this—but we have also seen this in the Corporations Tax Act in provisions against the disclosure of information relating to taxable income. It's appropriate that this section should remain in the bill.

Mr. Shulman: Mr. Chairman, I refer the minister back to section 8(4) where it says: "The minister may, at any time he considers reasonable, assess or reassess any tax payable by any person under this Act."

There's nothing there about any order being made, and you know darn well we're not going to know when you reassess someone's tax. We have no way of knowing whatsoever.

Now is the minister prepared to go back to section 8 and put it in a few words there, saying that such assessments must be made public? If he is, then I'll take away my objection; if he's not, this is an invitation to abuse.

Mr. E. Sargent (Grey-Bruce): Right.

Hon. Mr. Meen: The answer is no, Mr. Chairman.

Mr. Shulman: Not tonight? We'll get you.

Mr. Chairman: The hon. member for Riverdale.

Mr. Renwick: I think that section 8, Mr. Chairman, is not one which allows itself at this point in time to be broken down into a clause-by-clause discussion. I think we've got to have a general discussion about the purport of the whole of section 18, because it raises immense problems, and each one of them is interrelated because they are stated to be in particular sections.

I assume therefore, Mr. Chairman, at least until the time that my colleagues in the Liberal Party come back into the House and are able to participate in it, that we could discuss generally some of the questions that are raised by section 18. I say that both in a partisan sense and in a non-partisan sense, because I know that my colleague, the hon. member for Downsview (Mr. Singer), feels very strongly about this particular section.

Mr. Chairman: If you're still on section 18, your remarks would be in order.

Mr. Renwick: Let me try to break down what the minister is saying in section 18.

First of all, he is talking about the question of persons in the employ of the government of the Province of Ontario and what information they may disclose and to whom. As I understand it, each member of the civil service of the Province of Ontario takes a particular oath with respect to the confidentiality of information that is available to him under the Public Service Act. Is that correct? All right.

To the extent that is necessary – and in this day and age I share many of the concerns of the hon. member for High Park about the extent to which that kind of secrecy about the government of Ontario, which after all is a people's government, is required–

Mr. J. M. Turner (Peterborough): Right on.

Mr. G. Nixon (Dovercourt): Right on.

Mr. Renwick: That was unexpected support, both from the hon. member for–you know, I know them so well I don't even have to turn my head–from the hon. member for Peterborough, who spoke almost as his predecessor would have spoken in this case, and from the hon. member for Dovercourt.

Mr. Turner: Just in support of the former statement; I want to make that clear.

An hon. member: Right on.

Hon. Mr. Meen: It's a question of what's right on.

Mr. Renwick: But you will give me credit for knowing them pretty well, eh? I don't have to turn my head to know who speaks.

Mr. Turner: After 2½ years you should.

Hon. Mr. Meen: Well it doesn't take much to turn your head, does it?

Mr. Renwick: After 2½ years of hearing each of them make about 10 words of comment in the Legislature, I consider it quite a feat.

Mr. Turner: That's not true.

Mr. Renwick: Mr. Chairman, with respect to the whole question of the extent to which the civil servants of the Province of Ontario should be bound by some kind of an oath of secrecy with respect to the public business of the Province of Ontario which is not related to national security, the armed forces, the traditional areas of military or other kinds of political intelligence, there is a lot to be said for the government taking upon itself a very thoughtful concern about redoing the responsibilities with respect to the openness of government.

That speaks for itself. Therefore, if my understanding is correct, and if the oath is taken under the Public Service Act, as I understand it is, we do not need to have the restrictions that are included in sections 18 (1) and 18 (2).

Then we come to subsection 3, which permits disclosure for the purpose of court proceedings. I doubt very much whether it's anything more than words. My own guess is that any member of the government of the Province of Ontario would not be protected in a court of law if he were summoned as a witness to give evidence with respect to the matters which are subject to criminal proceedings under any Act of the Parliament of Canada, or proceedings in respect of the trial of any persons for an offence under an Act of the Legislature, or with respect to the enforcement provisions of this Act.

Now my own guess is that no criminal court and no court with respect to the enforcement of the revenue statutes of this province is going to allow some member of the civil service of the Province of Ontario to claim some executive privilege, à la Richard Nixon, with respect to the matters which are peculiarly within his knowledge, and so impede legitimate enforcement; not because of any superior power of the judi-

ciary but because the criminal law of Canada and the law of the Province of Ontario creating offences, and the revenue laws of the Province of Ontario, originate right here. Any court is going to give credence to the powers which are necessary for the enforcement of the laws made by this assembly and made by the House of Commons and the Senate of Canada.

So what we are really talking about so far is, in my judgement, if I may use the term—and I hope I am not asked to spell it—is gobbledygook. Because it just doesn't make sense. And then in subsection 4 we have "bureaucratese" at its very best or worst, depending on how you look at it. Here you have an authorization for somebody in the employment of the government of Ontario to communicate with other persons in the employ of the government of Ontario about matters on which they have been precluded from talking about to anybody else in the first place.

I think that becomes almost a never-never land when you start talking about the employees of the government of Ontario not being able to communicate with anybody about anything which they know, and then you have to carve out an exception that employees of the government of Ontario can talk to other employees in the government of the Province of Ontario about matters related to the enforcement of the laws of the Province of Ontario.

You do the civil service of the Province of Ontario no tribute when you put in that kind of a clause, because it is just ridiculous to have to have that kind of a clause in the bill.

Then we have the provisions related, as I understand it, to subsection 5 and subsection 6, which permits copies of documents or any kind of a document to be given to the person from whom the book or document was obtained, or to any person for the purpose of any objection or appeal which he is going to be taking under the Act.

Then in subsection 6 we have the provision that any of this information may be given to, "a minister of the government of Canada, or any officer or employee under a minister of the government of Canada, for the purpose of any Act of the Parliament of Canada."

So we carve out something called another exception. And we permit it also to be given to "a minister of the government of any province of Canada, or officer or employee employed under that minister," for the purpose of the administration of the laws of any other province in Canada—and then there is the strange qualification:

> —if the minister of the government of Canada or the minister of the government of any other province, as the case may be, is permitted to give to the minister information or copies of any book, record, writing, return or other document obtained by or on behalf of the minister of the government of Canada, or the minister of the government of that other province, as the case may be, in the administration or enforcement of the Act for the purposes of the administration of this Act.

You know, that's "You pat my back, I'll pat yours. If you let me get information from you, I will give you information about the citizens of the Province of Ontario." That is an extremely dangerous section to have in a taxing Act or in any other kind of an Act.

Mr. Sargent: The member for Riverdale is right.

Mr. Renwick: I thank the member for Grey-Bruce. I knew I would have his support tonight.

Mr. Sargent: All the way.

Mr. Renwick: So we have section 18 of the bill with 6 subsections which are involved with something called the secrecy of government and the avenues within which that secrecy may be breached. I think what the member for High Park has said before—and what other members of this party, particularly in the House of Commons in Ottawa have said—is that the secrecy of government in the Province of Ontario, in many areas, is no longer a valid concept.

It is an open government. It is a democratic government. It is elected by the people. The people are entitled to know what goes on within their government, and they are particularly entitled to know with respect to the transactions relating to land in the Province of Ontario.

You may say, and other people may say, that there may be, somewhere out there, some areas of information which must be confidential to government and not available to the citizen. But I defy the minister to say there is anything dealing with transactions related to land in the Province of Ontario to which the minister is now a party—and that's every transaction—

Interjection by an hon. member.

Mr. Renwick: —which is not, in the initial instance, a matter of public knowledge and must be a matter of public knowledge.

The people in the Province of Ontario are entitled to that public knowledge and they are entitled to know who owned the land; who has transferred the land; whether taxes have been paid; whether taxes haven't been paid; whether there are corporations involved in it; whether corporations have transferred land; whether there have been all sorts of corporate reorganizations taking place affecting land in the Province of Ontario—that is all a matter of public knowledge and public record.

The minister can bang his desk in exasperation. I'm telling him, and I hope some of my colleagues will try to convince him, that this whole section is misconceived in the perspective with which it looks at the problem.

Mr. Sargent: The member is right.

Mr. Renwick: I think we should start from the proposition that what happens to land in the Province of Ontario, with respect to its ownership and with respect to the taxes which are paid in respect of the transfer of that land, is a matter of public record. That's what we start from. Everybody is entitled to know that. I am entitled to know that as a citizen of the province and I am not prepared to suggest that this minister, in this strange way in which he has done it, can impose some kind of cloak of secrecy about dealings in land in the Province of Ontario.

Mr. Sargent: He's right.

Mr. Renwick: Even if you were to grant the proposition which I make to you it would be immensely difficult. Even if all of the record were public, open and available, it would be immensely difficult to trace the actual ownership and control of land in the Province of Ontario because this government has, over the years, allowed that whole question of public knowledge to become something which cannot now be penetrated by the ordinary citizen.

The government of the Province of Ontario does not know who owns the land in the Province of Ontario; there is no record of it. The effect, of course, is that we have this kind of statute before us, because the government is lacking the knowledge it should have.

One can go back, also, theoretically, because in theory all the land in the Province of Ontario has been granted by the Crown. Everybody knows that somewhere in the background of the title to every piece of property in the Province of Ontario there is a Letters Patent of the Crown. That grant was public knowledge and the succeeding ownership of every piece of land in the Province of Ontario is public knowledge.

If the government is proposing a tax with respect to the transfer of land the questions relating to the transfer of land and who owned it before; who owned it afterward; what tax was payable; who now owns vast conglomerations of land in the Province of Ontario; are public knowledge. There is nothing to suggest for one single moment in a bill such as this that there is one iota of justification for saying that the civil servants of the Province of Ontario cannot talk about the ownership of land in Ontario, cannot talk about the transactions affecting land in the Province of Ontario, that the minister wouldn't feel compelled to publish an annual report reporting to this Legislature with respect to the transactions in land in the Province of Ontario.

Members of this assembly sat on the select committee dealing for some considerable time with economic nationalism in the province, and the validity of the arguments which have been made in their reports and the validity of the appointment of that committee, because it reflects the feelings of the people in the Province of Ontario, is related to the ownership of land more than any other single economic object.

Mr. Sargent: Right.

Mr. Renwick: And all of that information must be public.

Interjections by hon. members.

Mr. Renwick: All right, I am not going to argue with the minister tonight on the question of individuals' personal income tax and the privacy of that information. The government of the Province of Ontario for practical purposes pretends it doesn't levy an income tax, and of course they rely on the Income Tax Act of the government of Canada. I am not going to argue that question. That poses some different problems with respect to the privacy of individuals. Those are very real problems and this government certainly has not shown that it knows how to deal with that kind of a problem, because they are now going to proclaim that disastrous Act relating to the collection of private information about citizens in the Province of Ontario on July 2 or some such anniversary date of the founding of the country.

But you cannot equate that kind of relationship to questions related to land in the Province of Ontario. Everyone, whether he's a schoolboy, a schoolgirl, a graduate of the university, a student at the university or post-secondary education institution; a lawyer, an accountant, an educated concerned citizen; is entitled to know everything about land transactions in the Province of Ontario. There is nothing private about them, there is nothing sacrosanct about them, there is nothing sacrosanct about the information relating to those transactions.

Mr. Sargent: It's a lawyer's signature, that's all it is.

Mr. Renwick: This section is just totally misconceived. And it is misconceived in the minds of those people who collect the revenue, because they somehow or other think that the information which they get in this field is related to information which they may have obtained in other fields.

As far as we are concerned, this particular section of the bill is anathema. We can't believe in it. We can't really understand that the minister would, for one single moment, say what he has had to say about this section of the bill. The only answer that he gave to my colleague from High Park was that it contained in some other statutes related to the gasoline tax.

What conceivable bearing the Gasoline Tax Act would have, I can't imagine. I don't really think that any citizen in the Province of Ontario would consider that his privacy was being invaded if employees of the government of Ontario were free to provide information related to who did or did not pay gasoline tax in the Province of Ontario.

All of those matters are matters on which it is extremely difficult to persuade the government to change its viewpoint. They are immersed in a traditional view which no longer has any validity.

The minister knows that one of the major problems with respect to the development of housing in the province is who owns the land. And the province doesn't know who owns the land. The province talks about developers who are holding blocks of land from the marketplace in the Province of Ontario, who are delaying the servicing of land for the provision of housing. The minister knows very well that any well-ordered government in the Province of Ontario at this time would know exactly who owned every parcel of land in the province—

Mr. Sargent: Hear, hear!

Mr. Renwick: —and it would also know the corporate relationships of every corporation that owned land in the Province of Ontario. But they have defaulted so badly with respect to the original perception of that kind of basic government policy related to land that they have allowed the facilities which are available to them to fall into disuse.

I am particularly concerned, Mr. Chairman, about corporations owning land in the province. There is no question whatsoever that we have no index, we have no information; all we have is smatterings of information which have been collated by those persons who have gone to the trouble to collect it.

Mr. Sargent: Sure.

Mr. Renwick: Do you realize—and I think everyone must realize—that the original framework of the government of Upper Canada and of the successor Province of Ontario has been to recognize the importance of land, so much so that it is required that every corporation that owns land in the Province of Ontario must do so under the authority of a licence? And those licences were always renewable.

You could get a licence in perpetuity for a specific piece of land in the Province of Ontario; but then one day the government of the province, succumbing as it did to the corporate pressures, permitted corporations to get a licence to hold unspecified lands up to a certain dollar value by paying a particular fee, and they were able to get a general licence in perpetuity.

If you look at, as the minister looked at, before he was elevated or translated or whatever happened to him, the question of loan and trust corporations, we have always been extremely jealous about who could, as corporate bodies, hold mortgages on land in the Province of Ontario. That information is public. There is nothing private about it. The minister cannot stand here in this Legislature and tell us that a section such as section 18 is either necessary, advisable, wise or otherwise.

The minister can laugh all he wants, because that means he is blanking out. I know the minister well enough to know all of his defensive techniques. He can't blank out on this one.

Mr. Sargent: He doesn't know!

Mr. Renwick: What we are saying, and saying very clearly to the minister, is that

every transaction, the value of every transaction, the tax implications of every transaction relating to land in the Province of Ontario, including all of the abstruse art of the conveyancers and the lawyers with respect to the conveyancing profession, is public knowledge. Every single item of it is public knowledge.

Mr. Chairman: Order please. I believe the member is straying from section 18.

Mr. Sargent: He is right on target.

Mr. Renwick: I am delighted to think, Mr. Chairman, that you think I am straying from section 18.

Mr. Sargent: Keep on going, it's okay.

Mr. Renwick: This is the section which precludes the citizen of the Province of Ontario from knowing about land transactions in the Province of Ontario.

Mr. Sargent: Why doesn't the chairman try to follow the vote?

Mr. Renwick: We are simply going to oppose each and every subsection of this section 18, and if necessary we will record a vote on each and every subsection of section 18–

Mr. Sargent: Right!

Mr. Renwick: –because it is unnecessary; in 1974 it is unwise. The minister is foolish to bring it into the Legislature and he must give us some reason other than the fatuous reason–if I may use that term about the minister's remarks–that it is in the Gasoline Tax Act and that therefore it should be in this Act.

I want also to know why the minister now feels that if the other jurisdictions in Canada are prepared to exchange information with him he should be allowed to exchange information with them about an Act relating to speculative transactions with respect to the ownership of land in the Province of Ontario.

Mr. Sargent: Good for you.

Mr. Renwick: That is an open door for government abuse, ministerial abuse–and as Lord Acton said, power corrupts; and after 34 years you are very close to it.

Mr. Sargent: The Gestapo.

Hon. Mr. Meen: Mr. Chairman, I would say this: Taxes, particularly taxes in the private sector, are a private matter. Taxes basically are a private matter as between the taxpayer and the Crown–

Mr. Sargent: Like hell they are! They are public knowledge.

Mr. Chairman: Order please.

Hon. Mr. Meen: To the extent that a taxpayer corporation may required to disclose the amount of taxes paid in its corporate information returns or the returns and information filed for the benefit of its shareholders it may become public knowledge.

Mr. Sargent: Have they taken your books lately? Have they walked in and taken your books lately?

Mr. Chairman: Order please.

Hon. Mr. Meen: But other than that, that is strictly a private matter.

Mr. Renwick: There is nothing private about land in the Province of Ontario.

Mr. Sargent: Not at all, it's public knowledge.

Hon. Mr. Meen: We are dealing in the same area here as the information required under the Income Tax Act of Canada.

Mr. Renwick: It is entirely different.

Hon. Mr. Meen: We are dealing with the cost figures in corporation and individual income returns. When they come to us with their figures on the sale of a piece of property, when they show us certain expenditures they incurred, when they come to us with their figures showing their costs of renovation, we are dealing with confidential material which no one should be required to make public.

Mr. Renwick: It's not confidential if it relates to land in the Province of Ontario.

Hon. Mr. Meen: The hon. member for Riverdale talks about land, and the sale prices of land. I say to him yes, that is now public. There is no reason why it shouldn't continue to be public. But when the province steps in to exact a tax on speculative profits on the increases in the values of the land–charge off a tax against the land in relation to the particular transaction–in assessing that tax and deriving certain information from the taxpayer in order to determine from that, in turn, what kind of tax is payable, there is no reason why, in deriving that information, that taxpayer should be laid open to inspection of his records by the public.

Subsections 1 and 2 of section 18 of the bill look after that. Subsection (3) exempts from those—and the hon. member might have been quoting from it from the way he covered the three different sections—criminal proceedings, the proceedings in a trial for an offence under an Act of the Legislature, and proceedings relating to the administration or enforcement of the Act, or the collection or assessment of tax.

In subsection 4 he talks about and complains about the right of employees of, say my ministry, to discuss these matters with members of other ministries. I point out to him this is not—

Mr. Renwick: It's ridiculous, absolutely ridiculous.

Hon. Mr. Meen: —a ridiculous provision; it is an essential provision when we are dealing closely with another ministry such as Treasury and Economics. It is essential that there be a freedom of flow of information between those two ministries—and indeed for others as well I would expect, but those are the two major ministries that would be involved. All of the people in the two ministries, of course, are, as the member for Riverdale indicated, under their own individual oaths of secrecy.

The reciprocal provisions dealing with communication with other governments in other provinces are just exactly that. We need to have from them certain information, in order to be able to determine that the taxpayer whom we are looking at is giving other jurisdictions in which he may be operating the same kind of information he is giving us. By the same token, they will only give us that information if we are in a position to reciprocate to them.

This applies with the federal government and it applies with virtually all the other provinces. I'm not sure about the Province of Quebec, their being under the Civil Code. I recall that under the Reciprocal Enforcement of Judgements Act—at least some years ago; it may or may not be the case today—there was no reciprocity between Ontario and Quebec, although there was between Ontario and I believe most of the other common law provinces of Canada.

The same sort of thing I would expect applies here, that under this Act, where there was this reciprocity provision, we would be in a position to obtain necessary information from the other jurisdictions concerning certain of our taxpayers, when we are investigating their returns and determining whether they are subject to any tax under this Act.

Mr. Renwick: If they own land in the Province of Ontario they are within your jurisdiction and you know it.

Hon. Mr. Meen: There is no doubt in mind but that there may well be some non-resident corporations which we would have to look at which are in other jurisdictions besides our own and to which we would have to look for information. If the hon. member thinks back to the deemed disposition provisions dealing with land here in Ontario, he will recognize there are some taxpayers outside the province to whom we would have to look.

Mr. Renwick: Most of them are foreign controlled multinational corporations they don't reside in the other provinces of Canada. They reside like Eagle Star, or whatever their name is, in London or in Switzerland or Saudi Arabia. How are you going to get information about them?

Hon. Mr. Meen: Be that as it may, we would seek the information on a reciprocal basis from whatever jurisdiction we were able to get the information and in this case, at least within the provincial area of Canada.

I think, Mr. Chairman, the hon. member would be doing the people of this province a great disservice if he were to suggest we should remove the provisions of section 18 which are and will be very effective in being able to investigate and determine the extent of tax that is payable and to enforce the provisions of this Act.

Mr. Renwick: That is not so, and you know it.

Hon. Mr. Meen: Of course, I recognize that the NDP are against the Act anyway; so perhaps I should have expected they would oppose the section that puts some bite into the Act and gives some capacity to administer it, which is precisely what these provisions can do.

Mr. Shulman: There is no bite in the Act.

Mr. Renwick: There is no bite at all.

Mr. J. E. Stokes (Thunder Bay): You're dreaming.

Mr. Shulman: Put bite in the minister and not in the Act.

Mr. MacDonald: This government is a greater menace than even I thought.

Hon. Mr. Meen: I would certainly suggest that it would be a great disservice to the Act and to the people, were we to amend section 18 in any way.

Mr. Renwick: Mr. Chairman, I only want to make a couple of points because I think I tried to express the total misconception that the minister is operating under and, of course, after 1975 we will change this.

Hon. Mr. Meen: Don't count on it.

Mr. Renwick: To the extent that land is controlled in the Province of Ontario—

Mr. Stokes: We are just expediting the process.

Mr. Renwick: —by people who are not resident in the Province of Ontario, corporations or otherwise, they are generally not within the jurisdiction of any other province in Canada. Let's not kid ourselves because you can pat the backs of the other ministers in the other provinces and the federal minister to get information about citizens that you can escape the responsibility that this Act is inadequate for the purposes of deciding what to do about Eagle Star.

What is the name of the company where they have changed the name of Eagle Star in England? They've got immense controlling interest in the Province of Ontario and the Swiss people have. German money is involved in land in the Province of Ontario and Saudi Arabian money will be very quickly involved in the Province of Ontario. There is nothing in this Act which gives you any authority to get any information about them. There are very few major corporations existing in the provinces—certainly not in the provinces of Manitoba, Saskatchewan and British Columbia, but maybe in Alberta —that have some controlling interest in the province.

Let me also point out that the minister cannot get away from the fact that we are not saying there isn't some responsibility on the civil servants of the province. I believe the civil service oath under the Public Service Act is quite adequate to protect the Province of Ontario legitimately with respect to matters which are of some confidential nature. There is nothing which the minister has said which would indicate to me that every single transaction with respect to land in the Province of Ontario is and must be in the starting place a matter of public record, a matter of public knowledge and a matter of the obligation of the ministry to disclose it.

Mr. Chairman: The member for Wentworth.

Mr. I. Deans (Wentworth): Mr. Chairman, I want to speak on your behalf, because obviously as the chairman you won't have the opportunity to express something which you have adequately expressed before, that is, that this section of the Act flies in the face of the recommendations of the select committee of which the Chairman and I are members, and which are contained in the interim report of the select committee on economic and cultural nationalism on foreign ownership of Ontario real estate. And your colleague, the Minister of Housing (Mr. Handleman)—

Mr. Chairman: Does it come in section 18?

Mr. Deans: Yes, it does indeed, sir, and I am going to tell you how. I know you won't believe it, but I am going to let you know about it.

Your colleague, the Minister of Housing, also took part in the deliberations of that particular portion of the select committee's work, and we came to the following conclusion, as contained on page 41, under the heading, "9. Information":

> The committee has already identified the lack of comprehensive information on patterns of foreign ownership of land in Ontario. While the committee has been presented with sufficient evidence for it to make determinations with respect to foreign ownership of land in a variety of areas, the committee is convinced that further information and a continuing monitoring process would be desirable.

We therefore made a recommendation, if the minister would care to listen, since it happens to be pertinent and deals directly with this section—

Mr. Renwick: He is immensely irritated; he really is. He is so irritated he is likely to be here for some time.

Mr. Stokes: It is not that he is irritated. He has become irrelevant.

Mr. Deans: No, it is not that—

Mr. P. D. Lawlor (Lakeshore): He will go from exasperation all the way to hysteria.

Mr. Deans: The minister may not think what I have to say is relevant, but I want to assure him that it is. The committee, which was an all-party committee, as he knows, made the following recommendation:

> The committee accordingly recommends that the government prepare and publish on an annual basis, detailed ownership and residence data by region and by use, for land owned both by individuals and

corporations in the province. The committee further recommends that such data be developed in a manner which will generally support and facilitate the ongoing analysis of the behaviour and performance of real estate markets and institutions in Ontario.

I might point out that that recommendation was not one of those that had a dissent entered against it by any member of the committee; in other words, it was the unanimous conclusion of all of the members of the committee that that particular section was valid and valuable. In fact, not only was it valid and valuable, it was of considerable concern to the committee in its deliberations that it was virtually impossible to determine ownership and use of land in the province, and that in order for us to be able to carry on in a reasonable way with regard to the use to which land might be put and to the ownership changes, this kind of recommendation was vital.

I am frankly concerned. In the bill which preceded this one, I began by saying to the minister that I had sat on a select committee which had spent many long hours trying to come to sensible conclusions about a number of areas, including the ownership of land. I felt then, and I feel now—this is directly related to this particular section—that the government, and if not the government this minister, has ignored completely all of the work done by the committee.

This recommendation we made is clear. There can be absolutely no doubt about it. It stands on its own merit. It stands alone and by itself under a single heading. It is not sort of lumped in and hidden in the centre of the report. It is flagged by the committee as being one of those things that would be vital in determining land use and land ownership.

It is evident, as our committee said to the Legislature through its report, that it is necessary to prepare and publish on an annual basis, detailed ownership and residence data regarding land. It is something that we felt extremely strong about.

I want to suggest to the minister that if he has a valid reason for not doing that, then I wish he would have come forward to the committee when we were studying the matter and had made his representations there. Or if he didn't make his representations there, I wish those people in his ministry who obviously know all about this matter had come forward to the committee, as other ministries did from time to time, to make their views known, because we obviously wasted our time.

Why is it that the minister has rejected this information section of the committee's report, published in 1973, which demands that the government establish and publish information with regard to the ownership of land? Why have we opted out from that recommendation?

Mr. Chairman: The member for Lakeshore.

Mr. Shulman: Wait a minute; aren't you going to even answer it?

Hon. Mr. Meen: Sure, when we get back to the section.

Mr. Renwick: This is right on the section and you know it.

Mr. Shulman: It is on this section.

Mr. Chairman: Order, please.

Mr. Renwick: Now stop the fencing. Get with it.

Mr. Chairman: The member for Lakeshore.

Mr. Renwick: Get with it.

Mr. Lawlor: It is a fairly normal procedure, almost routine in the House, that in committee the minister makes some kind of an inept performance. It may be attributed to his degree of exasperation; that's just too bad about him. This is the work of this House and the issues being raised were legitimate and—

Mr. Shulman: Well, the member for Wentworth was right on the section.

Mr. Chairman: Order, please. I know, I can hear quite well—

Mr. Shulman: The minister should reply; he is out of order.

Mr. Lawlor: I have three points I want to raise; one has to do with the very issue that was being discussed recently. Surely, with the alteration of the perspective and the philosophy of the government towards land ownership and land use in the Province of Ontario, a land inventory ought to be made available and not kept secretly enclosed in the breast of the minister, or that little cabal he set up in this section who would have privy knowledge to this sort of thing. It should be generally available to the public of Ontario, whom you might take into your confidence on occasion.

That would be the first thing that would be requisite. And it can be done and performed and substantially promoted through the operations of this particular legislation if you had the vision, courage and half the imagination you should have in bringing this kind of legislation into being. This is the opportunity—and, of course, on a vital thing of that kind, you let it go swimming by.

There is the second area that I want to mention. I don't understand for the life of me, as a lawyer, that in your subsection 2 you go to great care to say that none of the members of your ministry, no officials and so on, may be obliged to testify in any court. And then you carve out and say, "Oh, but if a criminal matter, or a quasi-criminal matter within provincial jurisdiction is before the courts, of course they may appear." Documents may be subpoenaed. The thing may be brought before a judge. But in civil proceedings, you go to very considerable length to withhold, to suppress, to keep from the courts information—

Mr. Renwick: Good point.

Mr. Lawlor: —which is very relevant. The courts, after all, are public forums financed through the public realm at enormous costs to the general public. And there is this strange little notion of some kind of private quarrel carried on in some arcane courtroom in which you have no interest. The most vital fact of the whole case is held and retained in your file. It would do no harm in any public sense to anybody to have it made available in the course of the proceedings themselves. It is absolutely vital, really, to the determination of justice in the case, and all this is dropped in your silver box and placed away in your hope chest.

When are you going to open up the procedures in the civil area? The civil area has public implication as much as the criminal area and your information, upon subpoena and upon proper grounds, ought to made readily available.

It should go this far, in my opinion; that on occasion you would appear before the civil courts as a friend of that court, knowing that the issue in question was peculiarly within your ambit and the knowledge was not immediately available or within the knowledge of either one or the other of the litigants in the trial. Because it may be in both their bloody interests to suppress the information that you peculiarly have and which, from the point of view of the judge in administering that case and reaching a determination, ought to be made available. And you should have discretionary powers and you should make a determination.

I can imagine all kinds of cases which would turn upon privy information that you would have in your files arising out of the incidence of this tax—where it fell, how it fell, the way in which it was arrived at. All this sort of information could be a subject of a civil suit going on. And you remain obtuse, blind and aloof, as though it was no interest of yours whatsoever as to what was going on in the courts of this province in this particular regard.

The last area that I want to mention is the business of your—well, I suppose the easy way to express it is to say your huge collusive leviathan contained in the trading of information, discreetly, secretly, behind your hand and under the board, as between the various government levels, again without the public or members of this House, by and large anybody except yourselves, being in any way aware of that. This trading of notes can become a highly vicious, highly inbreeding thing. If the banking institutions of the country—and I hope they don't, and I'm told they don't—were to trade notes day after day upon their whole realm of customers as to who has what, who is borrowing from whom, what security is being placed forward, that whole situation would run directly against the basic of the new Competition Act. That would be a festering, central sore of collusive information being supplied to a basic maw, to a leviathan, and caught in its coils would be a whole citizenry and everything that I thought was a privileged communication between me and my banker would become generally abroad within that very privileged little community, the banking institution.

That's precisely what you do in a different way, but at a governmental level. You do it with impunity, and you do it with your tongue in your cheek. You think somehow there's integrity in it, that you're somehow blessed in that process. I find the thing distasteful. I find it terribly bureaucratic and affirmative of bureaucratic instincts, and I think that that particular clause and all of its ramifications ought to be wiped out.

As my colleague has indicated, therefore, in pretty well subsection after subsection of this section, which you would think ostensibly on the surface ought not to arouse so much rancour and such high tones, nevertheless, upon inspection and investigation you don't do what you ought to do, you do do what you oughn't to do and that's the history of this bill.

Mr. Chairman: The hon. member for Waterloo North.

Mr. E. R. Good (Waterloo North): Thank you, Mr. Chairman. I listened with interest to the arguments put forth by the NDP, and I marvel at the inconsistency of their argument. They are so concerned that the—

Hon. Mr. Meen: You are right. I marvel too.

Mr. Lawlor: You can see that Singer has left the House and we have to rely on the second row.

Mr. Good: Just listen for a while and you'll hear. They are so concerned about the tax imposed being set in lines of confidentiality. Now, no one argues with the fact that there is public knowledge and public disclosure as to who owns land. This is not the point in question here.

Mr. Renwick: And who pays tax and who buys it.

Mr. Good: Transfer of land has always been public knowledge and is easy to find out. This section, the way I read it, deals with the confidentiality of the tax involved with the transfer of land. And when we get to the point where tax cannot be a matter of confidentiality—

Mr. Renwick: Where does it say that?

Mr. Good: —then I think this is all part of the—

Mr. Renwick: Where does it say that?

Mr. Chairman: Order, please.

Mr. Good: —NDP plot that they don't believe in the private ownership of land. It amounts to that exactly.

An hon. member: Right.

Mr. Renwick: Where does it say anything to do with that?

Mr. Good: Inconsistent with your argument—

Interjections by hon. members.

Mr. A. J. Roy (Ottawa East): You go to the land registry office if you want to know who owns land, you know that.

Mr. Good: —is the fact that they don't feel that the government should communicate. Well, I agree with that part of their argument about one arm of government communicating with another arm of government with information which I feel should be peculiar and secret to that particular arm of government. And they would be the first to holler if things were different in that regard.

But I do find their position very inconsistent when they say that the tax involved with transfers should be public knowledge.

Mr. Renwick: You worry about the inconsistency of your position.

Mr. Roy: You just listen.

Mr. Good: No one is arguing that the ownership of land is not public knowledge. You can go down to the registry office any time you want and find out who owns what parcel of land.

Mr. Renwick: You can't and you know it.

Interjections by hon. members.

Mr. Good: What we're dealing with here is tax involved on the transfer of land.

Mr. Renwick: You can't go down to any registry office and find out who controls what.

Interjections by hon. members.

Mr. Chairman: Order, please. The hon. member for Waterloo North has the floor.

Mr. Good: My own impulse is simply that I see nothing wrong with preserving the confidentiality of the tax involved in the transaction of a transfer of land.

Mr. Renwick: You can find the registered owner but that won't give you the information you need and you know it. And the Solicitor General (Mr. Kerr) is not in his right seat. Why don't you go out and raid a few motels?

Mr. Good: I also feel that we are getting too much collusion among the various arms of government and among the various levels of government when we had the condition where information is supplied by one level of government to another level of government to keep track of the people down at the bottom making the transaction — this "Big Brother" attitude of one level of government keeping tabs on the individual, to the detriment of that individual and possibly of another level of government.

It just occurs to me that some time ago, it could be a year or more ago, the provincial Treasurer (Mr. White) indicated that the new assessment data gathered by the province would be available to the federal government for a fee, I believe he said. I could be wrong

on this, but it just runs in my mind that it was indicated by the government that when the new data is available on computer that that information would be for sale to the federal government to be used, I suppose, as they see fit in the calculation of their capital gains tax on the disposal of personal property that would be assessed under the provincial assessment procedures.

I, for one, do not feel that this is a legitimate use of information by one level of government among other arms of government. We have this separation of taxing information from another level of information and I don't think, unless it is for criminal matters, that it should be available from one level of government to the others. I think the whole argument put forth by the NDP is inconsistent from one end of their argument to the other.

Mr. Chairman: The member for High Park.

Mr. Shulman: I must, with reluctance, enter the debate on this bill, which I thought I was going to sit through without saying anything on, Mr. Chairman.

Mr. Roy: The member would have hurt our feelings if he had done that.

Mr. Shulman: I am directing my remarks more to my right than across the floor, because across the floor I have more or less given up on but I want to have some unanimity here.

This section, section 18, is a blanket coverage. It says no information may be given out. What are the various pieces of information that could be sought? There could be the value of the property at the time it was sold.

Mr. Roy: You can get that in the registry office.

Mr. Shulman: That's available anyway. All right.

Hon. Mr. Meen: Not necessarily so.

Mr. Shulman: The second piece of information you might be seeking is the value of the property on April 9, 1974, because that's the second piece of information they will have so they can calculate their tax. We went through that a dozen times with the minister and the way he is going to figure that is by getting Teela surveys.

Mr. Good: He already knows that.

Mr. Shulman: As we got it out from him he said he was going to use the Teela surveys, which are available to you or me. He is going to use the market assessment, which is a matter of public record. He is going to use the sales in the area immediately around it at that time, which are also a matter of public record. So that piece of information isn't secret either.

Now what is the one piece of information we are not going to be able to get? Anybody can figure out what the tax is. All you have to do is deduct the price on April 9, 1974, from the price at the time of selling and divide by two. But what is the one piece of information we can't get, the one piece of information that really will be kept hidden by this Act?

I suggest to you, look back at section 8, subsection 4 and let me read that to you: "The minister may at any time he considers reasonable, assess or reassess any tax payable by any person under this Act." Now that's the piece of information we won't be able to get. Doesn't that disturb you in any way?

Mr. Good: Do you want your income tax reassessed and made public?

Mr. Shulman: Let's just suppose that you and I each happen to be selling a piece of property. The properties are exactly comparable, we both happen to buy them on the very same day, we both happen to sell them on the same day—just for the sake of comparison—and we both happen to make $50,000 on it. You pay your $25,000 but I phone my good friend Art and I say, "I sent Mr. Kelly a little present this morning, how about exempting me?" He says, "No problem, I will put the rule through," because—

Mr. Good: You can't legislate honesty anyway.

Mr. Shulman: —because it is a secret and there is no way that we would ever know such a thing has taken place.

Mr. Roy: That's the problem. You couldn't block that anyway. Income tax is—

Mr. Chairman: Order please. Back to section 18.

Mr. Shulman: I am on section 18.

Mr. Chairman: Well, the theoretical examples are not.

Mr. Shulman: What I am saying is, the minister has taken such powers unto himself, and the powers given him under this Act, regardless of what the Act says, allow him

to cut that tax to nothing, to cut it in half, to do anything he wishes with it, and he can do it for his friends if he wishes, and no one in this province will know about it—

Mr. Renwick: That's right.

Mr. Shulman: —it will be a deep, dark secret. That is all section 18 does, because everything else is available. All the other information is available. You are giving an open invitation to a future minister to reward his friends and nobody will know about it. It is an open invitation for powerful, rich corporations and individuals in this province who try to subvert the course of this Act. It is an open invitation for people to get preferential treatment—and why? There is nothing else that's kept secret in this Act. Everything else is available. The value at the time of purchase is available. The value at the time of sale is available. It's all freely available for anybody who wants to look at it. There's only one thing kept hidden.

All right. I want to ask the minister a question. He said to me earlier when I presented this argument to him: "Oh! It's not secret. Any time that I do such a thing there will be an order made and you will read it." I looked back under section 8, subsection 4. Where does it say anything about such orders being made public? That's the question, but the minister didn't recognize it.

Hon. Mr. Meen: I think you should look at section 22, subsection 2, Mr. Chairman, when we get to that.

Mr. Chairman: Shall section 18 stand as part of the bill?

Mr. Shulman: No siree! We're looking at section 22, subsection 2. Do you want to go into it?

Mr. Chairman: Not for discussion, though.

Mr. Shulman: If this is his answer—

Mr. Chairman: I know what was said, thank you.

Mr. Shulman: —"Not for discussion." We're on section 18.

Mr. Chairman: We're on section 18.

Mr. Shulman: The minister says it's section 22, subsection 2, which has nothing to do with it. I'm going to read it.

I've got section 22, subsection 2 here. There is nothing. Would the minister mind telling me under what subsection it says he must make these things public? That's the regulation and would be under subsection 2 question.

Hon. Mr. Meen: Provisions for exemption of property from tax are provided for by of section 22; it would be subsection (a) of subsection 2 of 22. When we get that I'm sure the members will be—

Mr. Good: You have to issue an order in council—

Hon. Mr. Meen: Yes, Mr. Chairman. If we just depart from this for just a moment. I don't like to break our own rules on this, but "exempting from tax any designated land, or class of designated land or exempting from tax any designated land with respect to which any disposition or class of disposition occurs" is by the Lieutenant Governor in Council. And, of course, those are public—and that's what I was talking about.

Mr. Shulman: Okay. Now let's just come back to that. What it says is that the "Lieutenant Governor in Council may make regulations." It says "may make regulations." That is a regulation which may or may not come forth, but we do have a section already, section 8, subsection 4, passed here: "The minister may, at any time he considers reasonable, assess or reassess any tax payable by any person under this Act."

Mr. Good: Why couldn't he do that in public?

Mr. Shulman: Sure, but we know about it.

Hon. Mr. Meen: You have probably no more opportunity of knowing about a reassessment for income tax purposes under the Income Tax Act of Canada than you would under this. And the hon. member for Waterloo North has expressed my position so well that I won't burden Hansard a second time with the same argument.

Mr. Shulman: The minister may not burden Hansard, but I'm going to burden Hansard a little bit.

Mr. MacDonald: You would expect the Liberals and Tories to continue this secrecy, They've been doing it for a 100 years.

An hon. member: That's right.

Hon. A. Grossman (Provincial Secretary for Resources Development): So why have you been voting together?

Mr. MacDonald: Not on this one, you can bet your bottom dollar.

Mr. Shulman: Are you calling me a socialist?

An hon. member: You have been called worse things.

Hon. Mr. Meen: It is really hard to tell.

Mr. Roy: Get up and confuse the issue.

Mr. Good: Those guys on the NDP front bench don't even want him on their side.

Mr. Shulman: I think you may have misconstrued what they have said. I'm not really worrying what they are saying because they're not in power.

Interjections by hon. members.

Mr. Chairman: Let's get back to section 18.

Interjections by hon. members.

Mr. Chairman: Order, please. The member for High Park on section 18.

Mr. Shulman: Mr. Chairman, I ask the minister, inasmuch as all the other information is available in public records, what possible purpose is there for having this secrecy? That is, unless he is keeping this little ace in his back pocket in case, at some future date, some minister of the Tory government wants to do something that would be embarrassing if made public. Is there any other reason that you need the secrecy rule there, because every other piece of information is public record? If there is, I would surely like to hear it.

Hon. Mr. Meen: I don't know how many times I have to say something to get it through to the member for High Park; but I would point out to him that I can envisage cases where I would need information from other jurisdictions which would not be available to me if we did not have this kind of secrecy provision—which is standard in all our taxing legislation, in any event.

Mr. Renwick: Oh come off it.

Mr. MacDonald: The government is now in a conspiracy against the public in your concept.

Mr. Shulman: No one is going to accept that.

Mr. L. Maeck (Parry Sound): We all accept it except you.

Mr. Shulman: I want to point out a parallel to section 18.

Mr. Stokes: Is the member for Parry Sound in the right seat? Is he in the right seat?

Mr. Shulman: There are other Acts that have a similar section, and in each and every case there has been abuse under the present government. The one that comes to mind, of course, is the one under the Liquor Licence Act.

Now I am telling the minister he is making a serious error, and I am not doubting his integrity, I am not questioning it in the slightest bit, but he is not always going to be the minister. There are going to be other ministers come along. There are going to be temptations within your department to do things that are wrong, and this information should be public.

Now I say at the least, to the minister, if it is not to be made public, if he is adamant on that, surely there should be a provision here making it possible for members of this assembly to examine those records. And if he won't go that far—

Hon. Mr. Meen: That makes it public right there.

An hon. member: Of course.

Mr. Shulman: If he won't go that far, surely he should be willing to write into the bill, and I don't mean into regulations to write into the bill, that any time someone's tax is not paid because of ministerial order, this must be made public. Now surely the minister isn't going to refuse that?

Mr. Chairman: Shall section 18 stand as part of the bill?

Mr. Shulman: No, it will not; answer the question.

Mr. Chairman: Order please, order.

Interjection by an hon. member.

Mr. Chairman: Order. We are getting very repetitive. We are having the same thing over and over again.

Mr. Shulman: Well, I have to be repetitive if he won't answer a question. I have asked him a specific question and he hasn't answered it.

Hon. Mr. Meen: It has nothing to do with this section.

Mr. Shulman: I beg your pardon, it has to do with this section. The section has to do with secrecy, and the question I am ask-

ing the minister is should the secrecy cover ministerial orders reducing tax? Now it's a simple question. Will the minister not agree with me that when you do one of your friends a favour we should know about it.

Hon. Mr. Meen: That is like "When did you stop beating your wife?"

Mr. MacDonald: No it is not.

Hon. Mr. Meen: Mr. Chairman, the provisions for abatement of tax, adjustment of tax one way or the other, are I think essentially confidential in nature. They deal with the taxpayer himself and I most certainly will not give any such undertaking.

Interjections by hon. members.

Mr. MacDonald: That is nonsense.

Mr. Shulman: I am glad that this is on the record, because this is just an open invitation—

Mr. MacDonald: It's an incredible concept.

Mr. Chairman: Order please. The member has said that before.

Mr. Shulman: And I may say it again.

Mr. Chairman: Order please. You will not say it.

Mr. Shulman: We'll see whether we'll say it.

Mr. Chairman: All right.

Mr. Shulman: I am going to say it in slightly different words.

Mr. Chairman: Order please. The member is repeating.

Mr. Shulman: I can't repeat if you don't keep quiet. Now let me try it again.

Mr. Chairman: I've heard the member repeat it before. The member for Prince Edward-Lennox.

Mr. Shulman: Okay.

Mr. J. A. Taylor (Prince Edward-Lennox): Thank you, Mr. Chairman.

Mr. Chairman, with respect, I think many of the arguments—

Mr. Stokes: Hold your applause, he hasn't voted for it.

Mr. Taylor: —that have been advanced in connection with the opposition to this section are merely specious. If you look at section 18, what I think it is trying to do is protect the information that may have been obtained through section 12. Under section 12, if you look at that, it says:

> Any person thereunto authorized by the minister for any purpose related to the administration or enforcement of this Act may at all reasonable times enter into any premises where any business is carried on or any property is kept or anything is done in connection with any business or where any books or records are or should be kept, and may:
>
> (a) audit or examine the books, records, accounts, vouchers, letters, telegrams, or other documents that relate or may relate to any disposition of designated land or to the amount of tax paid under this Act.

And it goes on and on. And you go down to:

> (d) if during the course of an audit or examination it appears to him that there has been a contravention of this Act or the regulations, seize and take away any of the records, books, accounts, vouchers, letters, telegrams and other documents—

Mr. Renwick: Too bad you weren't here to vote against that section.

Mr. Taylor: "—and retain them until they are produced in any court proceeding."

Now surely the intention is not to permit all of that material to be reproduced and distributed at will—

Interjection by an hon. member.

Mr. Taylor: —regardless of whether there has been any violation of the Act or not.

Mr. Renwick: Nobody suggested that at all.

Mr. Taylor: That is precisely what the members of the NDP are suggesting.

Mr. Renwick: That is not correct and you know it.

Mr. Taylor: I think that surely there is merit in section 18.

Interjection by an hon. member.

Mr. Taylor: Frankly I doubt whether it even goes far enough in protecting the individual; because we all know, and surely the member for High Park knows, that it doesn't take very much to extract from the civil service information that would normally be considered confidential.

An hon. member: You are right on.

Mr. Renwick: This relates to public business.

Mr. Taylor: It is not a matter of public business. That type of information could be used to the detriment of many honest poeple—

Mr. Shulman: How?

Mr. Taylor: —who were not circumventing the provisions of the statute but may nevertheless be subject to an investigation. And for that reason, Mr. Chairman, I am holding in support of this section.

Mr. Renwick: That is not right and you know it.

Mr. Shulman: Mr. Chairman, I must set the member for Prince Edward-Lennox straight—

An hon. member: The member for High Park is being ridiculous.

Mr. Shulman: —inasmuch as he completely misconstrued what was said, or misunderstood or didn't understand.

Mr. Taylor: You are the one who has misconstrued.

Mr. Shulman: Well listen carefully and perhaps you'll understand.

Mr. Taylor: If your horse chestnuts or chestnuts didn't go so fast one wouldn't wonder what you were talking about.

Mr. Shulman: I'm not too expert on chestnuts or horse chestnuts, but I understand crooks when I see them.

Mr. Taylor: I doubt that.

An hon. member: It takes one to know one.

Mr. Shulman: And potential crooks. Now, Mr. Chairman, to come back, no one has suggested that the information developed under section 12 should be made public. But we are referring to section 18 and the specific question I asked the minister and the specific potential abuse that I pointed out to him was the possibility that a future minister might reduce the tax.

Mr. Chairman: Order please. This is very repetitive.

Mr. Shulman: Mr. Chairman, you allowed the member—

Mr. Chairman: Order please. I call the member to order.

Mr. Shulman: You can't call me to order until I am finished and I'm not finished.

Mr. Chairman: I have said that he is repeating and I will so rule.

Interjections by hon. members.

Mr. Shulman: Well, you may rule but I'm continuing. What are you going to do about it?

Mr. Chairman: Well, we'll see.

Mr. Shulman: I am making an obsolute point here which I haven't been allowed to complete because you keep interrupting.

Mr. Renwick: Very upsetting that you let the other member interrupt.

Hon. W. A. Stewart (Minister of Agriculture and Food): I've been sitting in the House for the whole debate just as you have.

Mr. Shulman: You let him interrupt me and I'm answering him.

Mr. Chairman: Order please. The member has been repeating himself.

An hon. member: That's right.

Mr. Shulman: I'm not repeating myself now. The member for Prince Edward-Lennox has made a point about section 12. I'm telling him he is in error, that that is not what we were discussing.

Mr. Chairman: That's not your position. It is not your job to do that. Your job is to discuss section 18 and not be repetitive.

Mr. Shulman: Well, may I ask a question of you, Mr. Chairman? Why do you allow the member for Prince Edward-Lennox to correct me and I can't correct him?

Mr. Lawlor: That's perfectly right.

Mr. Shulman: I mean what kind of nutty rules have you got around here?

Mr. Chairman: Order please.

Mr. Lawlor: If a reasonably bright Tory like him doesn't understand what we are saying then what should we do with the rest of them?

Mr. Chairman: I understood very well.

Mr. Shulman: Now, Mr. Chairman, to come back to where I was before you interrupted me: I was asking the minister a specific question about a specific potential problem and I hadn't received an answer and that is

why I am repeating myself. I shall continue to repeat myself until I get an answer.

Mr. Chairman: Order please. Does the minister have an answer?

An hon. member: Let's have the vote.

Mr. Shulman: The minister has an answer and if I can repeat the question—

Mr. Chairman: I understand the answer is repetitive as well.

Mr. Shulman: Well, the answer can't be repetitive if I haven't heard it.

Mr. Chairman: Order, please. If the member doesn't like the section he may vote against it.

Mr. Shulman: I'm going to do more than vote against it, I am going to speak against it. That is exactly what I am doing now. I attempted to say my piece and the sooner you stop interrupting me the sooner I will say it.

Mr. Chairman: Order, please. If it is new material—will the member be seated please?

Mr. Shulman: No.

Mr. Chairman: You are making a mockery of the House.

Mr. MacDonald: You are making a mockery of the House, Mr. Chairman.

Mr. Shulman: Now may I speak on the section?

Mr. Chairman: Now just a moment. Order, please.

Mr. Shulman: I'm going to speak on this section and you are not going to shut me up.

Mr. MacDonald: You lower the boom when it serves your party's purpose.

Mr. Shulman: I am not repeating myself. I have asked a question and I want an answer.

Mr. Chairman: Order, please. There is a very clear order against repetition in the House. Now, we have heard the member—

Mr. MacDonald: And you enforce it when it serves your party's purpose.

Mr. Chairman: —three or four times already. If it is something different I would be pleased to hear it.

An hon. member: That's right.

Mr. Shulman: Okay. Now, what is different is, I didn't get an answer. I'm going to repeat my question and it is repetitive because I didn't get an answer.

Interjections by hon. members.

Mr. Shulman: Okay. Now, to commence again. And if the minister will answer me then we will go on to a separate point. The question I have is this—

Interjection by an hon. member.

Mr. Shulman: Inasmuch as there is a potential for future abuse, would the minister be willing to write in—

Hon. Mr. Grossman: This is not fair to the other members of the House.

An hon. member: Allan, stop talking.

Mr. Chairman: Order, please. That question has been asked before and the minister has answered it.

Mr. Shulman: I agree it has been asked before but it hasn't been answered.

Mr. Chairman: The minister may answer it as he sees fit.

Mr. Shulman: Well, will you let me finish it first of all?

Interjections by hon. members.

Mr. Chairman: I have heard it before.

Mr. Shulman: Well, you may have heard it before. We have all heard it before but I haven't got an answer. Now, if I say it again perhaps—

Mr. Chairman: Does the minister have a different answer?

Mr. Shulman: Wait a minute! I didn't finish it yet. Don't answer it until I finish it.

Mr. Chairman: Order, please. I have ruled the member out of order.

Mr. Shulman: Okay, you rule me out of order. Now, I am going to ask my question.

Mr. Chairman: I have ruled the member out of order.

Mr. Shulman: Well, all right, I'm out of order but I am still going to ask my question.

Mr. Chairman: You may challenge my ruling but I've ruled you out of order.

Mr. Shulman: I'm not challenging your ruling. I'm just going to ask my question.

Mr. Chairman: I have ruled him out of order.

Mr. Shulman: Okay, I'm out of order. Now, my question is—

Mr. Chairman: No. Order, please; order, please.

An hon. member: We're all against you; sit down.

Mr. Chairman: You are being repetitive with that question and are out of order.

Mr. Shulman: As I understand the rules, I may ask a question 10,000 times until I get an answer.

Mr. Chairman: No; that is repetitive.

Mr. Shulman: Well, show me what rule says that I can't repeat the question until I get an answer.

Mr. Chairman: If the member would sit down I'll point it out to him.

Interjections by hon. members.

Mr. Good: Let the minister answer the question.

An hon. member: He has answered it several times.

Mr. Renwick: That is not so, he hasn't answered it at all.

Mr. Chairman: Will the member take his seat.

Order No. 16(a), subsection 3 says: "Persists in needless"—and it starts off above: "In debate, a member shall be called to order by the Speaker if he . . ." and down to subsection 3 ". . . persists in needless repetition or raises matters which have been decided during the current session."

Mr. Shulman: It is not needless if you don't get an answer.

Mr. Chairman: Persists in repetition—

Mr. Shulman: Not repetition; needless repetition, needless repetition. It is obviously not needless if you don't get an answer.

Mr. Chairman: I rule it was needless. Order, please.

Mr. Deans: The needless portion is obviously the most important part. If a member asks a question for which an answer—

Mr. Chairman: Order, please. The member is debating the chairman's ruling.

Mr. Deans: No, I'm not debating your ruling.

Mr. Chairman: Yes you are.

Mr. Deans: I'm asking you to listen to me for one moment; and you can then say that I am wrong if you so desire, that is your prerogative. I don't have to agree with you or you with me, but what I am suggesting to you is this: That the interpretation of "needless repetition" is that if a member were to ask a question for which an answer was given and he was dissatisfied with the answer and continued to ask the question, that may well be considered—

Hon. Mr. Grossman: By whose judgement?

Mr. Deans: By his judgement, if he were—

Hon. Mr. Grossman: By whose judgement?

Mr. Deans: Would you listen for a moment?

Hon. Mr. Grossman: I've been listening for two hours—

Mr. Deans: Not to me.

Hon. Mr. Grossman: —and I've heard the same questions.

Mr. Deans: If the member was dissatisfied and continued to ask the question over and over again, and the minister said that was the only answer he was capable of giving, then that would be needless repetition. But if the member asks a question for which no answer is forthcoming, then surely he is entitled to ask that question until such time as an answer is given?

Hon. Mr. Grossman: That's chicanery and circumlocution.

Mr. Chairman: No, that is not the interpretation I place on the rules.

Shall section 18 stand as part of the bill?

Some hon. members: No, no.

Mr. Chairman: The hon. member for Ottawa East.

Mr. Roy: Mr. Chairman, can I bring to your attention rule 16(a)(1)? The member has mentioned that he had been misunderstood, and this rule applies in this particular case; if he feels he's been misunderstood he can give an explanation. It seems to me, Mr. Chairman, that the member for High Park has made a comment about the fact that he was misunderstood by the member for Prince Edward-Lennox and he was trying to give an explanation.

Hon. Mr. Grossman: He wasn't misunderstood. We understood him.

Mr. Chairman: We are debating section 18.

Mr. Roy: If I may say so, Mr. Chairman, I think standing order 16(a)(1) is certainly apropos to this debate. If I might make certain comments on the bill, Mr. Chairman, I say to the minister that section 18 is in a sense inconsistent. First of all, you start off by saying that certain information is privileged—

Mr. Stokes: Have you had a chance to read it?

Mr. Roy: Well, sure.

Hon. Mr. Grossman: Why don't you read it over first?

Mr. Roy: No, never mind, just listen. I've read it. Have you read it?

Mr. Stokes: No, I haven't.

Mr. Roy: Well, don't comment then.

Mr. Stokes: I've been listening to the comments of your colleague—

Mr. Roy: You haven't read it.

Mr. Stokes: —and you agreed with everything he said.

Mr. Roy: He's being provocative. He hasn't even read the thing, and he's interrupting me. That's out of order. That's clearly out of order, Mr. Chairman.

Interjections by hon. members.

Mr. Roy: In any event, Mr. Chairman, in my opinion the section appears to be inconsistent in the sense that you make the first part of it privileged, which we agree with. My colleague has mentioned sections 18(1)(a) and (b), and we agree with this particular position. But from privileged information which is not to be divulged, you go on in subsection 6 and leave the door wide open —and, Mr. Chairman, I think it's important that I read part of this subsection to make my point.

Mr. Renwick: I think it is.

Mr. Roy: That's right.

Mr. Renwick: You are reversing the position of your party.

Mr. Roy: I'm not at all. No, I said I agreed —you are not listening. I'm being misunderstood, Mr. Chairman. That's why I brought out this point. I'm being misunderstood.

Hon. Mr. Stewart: That's not unusual.

An hon. member: We all are.

Mr. Roy: I wish you would bring him to order, Mr. Chairman.

Mr. MacDonald: We get the point very quickly. The Liberals are in reverse once again.

Mr. Roy: In any event, I have explained fully, and I shall repeat myself, Mr. Chairman, because clearly I have been misunderstood—

Interjections by hon. members.

Mr. Roy: I said that we agreed with the first part of sections 18(1)(a) and (b), which meant that this information, was privileged. I went on to say that the government, having taken this position, went on in sections 18-(6)(a) and (b) to open the door wide and make this information available to every government department right across Canada.

The point I want to make, Mr. Chairman, is basically this—

Mr. Renwick: It has nothing to do with information.

Mr. Roy: The section reads in part:

> Notwithstanding any other provisions of this Act, the minister may permit information or a copy of any book, record, writing, return or other document obtained by him . . . be given to a minister of the government of Canada or any officer or employee employed under a minister of the government of Canada [and then goes on to say] a minister of the government of any province of Canada or officers or employee employed under that minister—

Mr. Chairman, it seems to me—

Mr. Renwick: But only if the other guy will give him information.

Mr. Roy: No, no. Mr. Chairman, it appears to me ludicrous. If the minister is generally following taxing legislation, surely that is not permissible under the Income Tax Act and you are not following that type of provision—

Hon. Mr. Grossman: You fellows have been voting for the same thing in other tax bills for years.

Mr. Renwick: We have not. We have objected each and every time.

Mr. Roy: —because, as I understand the Income Tax Act, the information of the Department of National Revenue often is privileged even to other departments of the government.

Mr. Chairman, I feel that if ever there was a situation where abuse is open between various government departments or even various governments, whether they be provincial or federal, it is in this instance, where this information may be exchanged—and it doesn't even have to be requested, Mr. Chairman. That's what frightens me about this particular section. It doesn't even have to be requested. It can be forwarded to any federal government, or it can be forwarded to any provincial government department, or in fact, to any federal or provincial officer within these departments.

Mr. Renwick: That's right.

Mr. MacDonald: Your colleague from Waterloo North was saying the very opposite.

Mr. Roy: No, no.

Mr. MacDonald: Sure he was.

Mr. Roy: I give you credit for being more intelligent than that. Surely you can see the distinction in the argument.

Interjections by hon. members.

Mr. Roy: No, no, no. You haven't understood my position. We are going to vote against you. On principle we always vote against you.

Interjections by hon. members.

Mr. Roy: We justify it later; we vote against you, then we justify it later.

But, Mr. Chairman, doesn't it frighten the minister that this information would be available to all federal and provincial government departments, in any province, and any officer of any department? I say, Mr. Chairman, that at least what the minister should have in this particular section is that this information be available only upon request; that it should not be wide open as it is now.

Mr. Renwick: That would be nice.

Mr. Roy: If some provincial civil servant is not pleased, he just takes his information and forwards it off to the income tax department.

Mr. Renwick: RSVP.

Mr. Roy: That is highly unfair, Mr. Chairman. It's open to all sorts of abuse. I say that we are greatly concerned on this side of the House about the wide open provisions of section 18, subsection 6. We feel that if you are looking at a precedent in relation to the Income Tax Act, they don't have such a provision and this is open to abuse.

Mr. MacDonald: You thought you had them on your side, eh?

Mr. Roy: This is wide open to abuse. We say that your position, in a sense, is inconsistent when you say it's privileged here, but at the other end it's wide open to any government in this country or to any civil servant in this country. We say, Mr. Chairman, that that is open to abuse and we are greatly concerned about that section.

Mr. Deans: Only you will vote for it.

Mr. Chairman: The member for High Park.

Mr. Shulman: Yes, I have just one simple question to ask, if I may. At the beginning of this argument when this whole nonsense began an hour and a half ago, I expressed some dismay at the fact that you would do things we wouldn't know about and your reply at that time was not to worry, that every time you made an order we would know about it.

Just five minutes ago, when I asked exactly the same question, you said no, we mustn't know about it, because a man's tax is his own personal business and we mustn't interfere.

The question I'm asking is, do we believe the Arthur Meen of 8:05 or do we believe the Arthur Meen of 9:25? Which answer did you mean?

Hon. Mr. Meen: Mr. Chairman, of course it depends on the subject matter under discussion. When we are talking about the reduction of an assessment or the increase of an assessment, a reassessment of any sort, then of course it is privileged against production. In the case of these other matters, of course, I was making reference to section 22, subsection 2, which would be an order in council, and of course that is public.

Mr. Shulman: What other matters? The question I asked him originally was, if you reduce someone's tax, and I specifically mentioned a time—section 8, subsection 4, and Hansard will show it, and I'm going to dig it out and quote it back in some other forum

for him if we don't settle it tonight—but Hansard will show I asked a specific question, referred to that specific section, and he replied that in every case there would be an order and we would know about it. Now he is saying exactly the opposite. Can you give me an example of a case where we would know about it?

Hon. Mr. Meen: Mr. Chairman, not under that section but under section 22, subsection 2, which, in subsection (a) of subsection 2 deals with exemption from tax and reduction of tax.

Mr. Shulman: Those are classes.

Hon. Mr. Meen: Well, not necesarily. Exemption from tax of any designated land or class of designated land. That kind of exemption would be by order in council.

Mr. Shulman: But that's not what the problem is.

Hon. Mr. Meen: If the problem is a matter of the taxpayer's tax that's exigible in some fashion or other in some amount, we might very well have established a figure. He may have paid it under protest. By the time we have done further review on the matter and determined that he was over-assessed—we might very well determine that he was under-assessed—but in any event, the reassessment would issue under section 8. That thind of thing is certainly a privileged matter with the taxpayer and is not something that should be subject to public scrutiny.

Mr. Shulman: How can the minister say that? Would the minister not agree—

Mr. Roy: But he is going holus-bolus the other way, though, if they give it to any government department or any government in this country.

Hon. Mr. Meen: Now I am repeating myself.

Mr. Shulman: Does the minister not agree with me that there is a difference between this Act and the Income Tax Act in that the matters—

Hon. Mr. Meen: Sure is.

Mr. Shulman: —being treated in this Act—

Hon. Mr. Meen: This is not a tax on income, I'll tell you that.

Mr. Shulman: Well, this is a tax on God knows what. Would the minister not agree with me that inasmuch as this is a tax on specific known items, that is the cost of certain lands—

Hon. Mr. Meen: It is a tax on profits.

Mr. Shulman: —the profits on certain items which are public knowledge, that in order to prevent abuse the tax should be the same on everybody? I mean, one speculator shouldn't get a different rate than another speculator, surely. Yet you have assigned yourself the power, in secret—that's the part that bothers me. I don't mind your keeping the discretion to change it, but what does bother me is the fact that you insist on keeping it secret. If you were to say, "Look, we are not giving out any information under this Act for this normal routine activity when we make a special exemption for someone." Surely you must agree with me that that must be public knowledge, otherwise sooner or later you are going to have a scandal that is going to curl your hair.

Mr. Chairman: Is there any other question on section 18?

Mr. Roy: Are you going to answer my comments about section 18, subsection 6, about our concern on the fact that information should only be given to other government departments or other governments?

Hon. Mr. Meen: If the hon. member cares to look at the latter part of subsection 6, he will notice that with respect to the government of Canada this applies only if the government of Canada or of the province is in a position to offer similar information. If the government of Canada is not in a position to offer similar information, then it would not be available to them.

It would not be made available to them automatically, I might add, but only on request and if they are in a position to make similar information available to us on a reciprocal basis. I think the hon. member for Ottawa East ought to read the whole of the subsection.

Mr. Renwick: Reciprocity based on exchange of information about private citizens is a lot of nonsense.

Mr. Chairman: The hon. member for Riverdale.

Mr. Renwick: Mr. Chairman, I think the one aspect which my colleague the hon. member for High Park has been emphasizing is that the very secrecy provisions which you have designed so carefully in this statute, and which we have indicated to you we consider both unnecessary and superfluous, are de-

signed to cloak the performance by your ministry of its obligations with respect to this tax. This is the way in which the public will never know whether the ministry has performed its obligations.

Hon. Mr. Grossman: Mr. Chairman, that is repetition through vicarious means.

An hon. member: He is an expert at it.

Mr. Renwick: None of the information will ever become public which is required to be known as to whether or not this tax has achieved the purpose which the provincial Treasurer originally stated when he presented his budget on April 9 last. The purpose he gave was that he doesn't want to raise tax money by this particular tax, but that all he wants to do is to reduce the price of land or stabilize the price of land.

To the extent that you do not provide the information to the public, to the extent that you provide a cloak of secrecy around the operations of your ministry with respect to this tax, then to that extent the public will never know whether you have done what you said you were going to do. As my colleague from High Park has said, of course, we also will never know when you pick and choose between those who are going to have the benefit of the immense discretions which we are going to come to in a later section in the bill.

All I can say to the Chairman is that up until now we have dealt with each of these sections, subsection by subsection. I assume that the Chairman is going to adhere to that proposition and that he is now going to call each of the subsections for a vote.

Hon. Mr. Meen: No way; we have been dealing with them all.

Mr. Renwick: That is my understanding of the way in which we have dealt until tonight.

Hon. Mr. Meen: Mr. Chairman, on that point, at the request of the hon. member for Riverdale himself at the opening of this debate shortly after 8 o'clock, he said he wanted to range over the whole of the subject and the Chairman at the time gave him that permission; so we are dealing with the whole of section 18.

Mr. Chairman: If I might address myself to the member for Riverdale, when I took over from the sitting Chairman he said that we were dealing with the entire section.

Mr. Renwick: I realize he would. That is what my colleague the member for York South meant when he said that the rules are applied by the Chairman of this committee in a partisan sense when it serves his purpose.

Interjections by hon. members.

Hon. Mr. Grossman: That is unfair.

Mr. Renwick: Well, let's not fool around. Each of these subsections has been dealt with on the basis of the overall requirements of the section in order that we understand it. Each and every section of the bill was called as a specific subsection for vote. There is no basis, other than a partisan ruling handed on to you by the former chairman, for what you are now trying to do. The remarks of the minister are specious and he knows it.

Mr. Good: Mr. Chairman, on this point if I might—

Mr. Renwick: He's upset, the minister is upset. When he is engaged in—

Mr. Chairman: There is one member on the floor—

Mr. Renwick: We want to upset him. We want to get you very disturbed—

Hon. Mr. Meen: You are not doing very well at it.

Mr. Renwick: We certainly are.

Mr. Lawlor: I thought we were doing almost too well.

Mr. Renwick: We certainly are. You have been engaged in a Freudian defensive operation all evening.

Mr. B. Gilbertson (Algoma): He is cool and collected.

Mr. Good: Mr. Chairman, on this point, I think it's significant to point out that the section contains two entirely different principles. One deals with the confidentiality of tax information as it relates to public disclosure of that; the last sections deal with the non-confidentiality of that information as it relates to other governments and other departments of the same government. I think that at least those two items have to be dealt with separately.

Mr. Chairman: I have listened to much of the discussion and it seems to have covered the whole section, but I am prepared to put them individually.

Mr. Lawlor: On a point of order, if I may, Mr. Chairman.

As you are well aware, since you have attended this House somewhat faithfully

throughout the course of this whole debate, in section after section the subsections have had to be taken singly, one by one, and dealt with accordingly. We have done it all the way through this bill and now there's a sudden reversal of form. I would ask you to stick to the routine, to what has been laid down by precedent in the balance of this legislation.

Mr. Chairman: As I say, I am prepared to do it that way, but I understood from the Chairman that it was at the request of a member of the opposition that the entire section should be dealt with.

Hon. Mr. Meen: Indeed it was. Mr. Chairman, on that point—

Mr. Roy: Accept the ruling, eh?

Hon. Mr. Meen: Challenge the ruling if you like. It's more difficult to debate an entire section, across the whole of the section, when it is divided up into subsections; but it was the member for Riverdale himself who suggested that we do this, and the Chairman agreed. Everybody else has followed that practice.

Mr. Renwick: All we wanted to do was to lay before you the total folly of the whole section. That is all. Because we are going to vote against you.

Hon. Mr. Meen: With respect, sir, I suggest it would be preposterous now to have votes on any and every subsection.

Hon. Mr. Grossman: I think we should get all the lawyers out of this debate.

Mr. Roy: Mr. Chairman, may I make—

Mr. Chairman: Yes, you may come back to your point. The member for Ottawa East.

Mr. Roy: Mr. Chairman, I thought the minister's answer to my question in relation to section 18, subsection (6) was terrible; it was a terrible answer. What he was saying to me basically is this: There is nothing wrong with this because we expect the other provinces and the government of Canada to do the same thing as we are doing and exchange information with us. That's what you said to me. What kind of validity does that give to your argument?

Hon. Mr. Meen: That's not what I said.

Mr. Roy: That's what you said.

Hon. Mr. Meen: It's not what I said.

Mr. Roy: It's what you said. You said if they exchanged information with us—

Hon. Mr. Meen: Read Hansard.

Mr. Lawlor: He will say anything that comes into his head.

Mr. Roy: That's terrible. As a lawyer and as a minister surely you should have gained experience on this bill. You have been on it for two or three weeks now. You should give me better answers than that.

Hon. Mr. Meen: Where have you been though?

Mr. Roy: I have been on the Health Disciplines Act. You should come down there and find out how an able minister is able to run a bill.

Hon. Mr. Grossman: Holy cow! What an example.

Mr. Roy: You should see how the Minister of Health (Mr. Miller) does it.

Mr. R. F. Ruston (Essex-Kent): He doesn't get his way all the time either.

Mr. Roy: He's not nearly as mean as you are.

Mr. Chairman: The debate is degenerating here.

Mr. Roy: I am sorry, Mr. Chairman, I am sorry about that one.

The point I want to make to the minister is basically this. You said, as I understood your answer—you can get up under standing order 16(1)(a) if you have been misunderstood, you can correct me—in any event what you said to me is that if other government departments or other levels of government or other provincial governments or the federal government is prepared to exchange information—reciprocal arrangement is what you said—that's the only time we will exchange this information. What kind of validity does that give to the argument?

We are saying basically that it is dangerous for an officer of this particular government, of your ministry, to have the right—not upon request but just have the right—to exchange this information. He can send it to the Province of Saskatchewan or the Province of British Columbia or wherever; he can send it to some individual within a ministry which has something to do with tax or duty. Of course that could be the sales tax; that could be all forms of taxation. He could send it to them not upon request but just send it.

We say that is dangerous, Mr. Chairman, because it opens the door wide. What you are saying—and it borders on being specious—is that it's okay because if they do the same thing it's going to be okay.

Mr. Chairman, we feel this is not okay. We feel that unless the minister gives us a better answer than that, it should be upon request.

Hon. Mr. Grossman: You have voted that way for years on tax bills.

Mr. Roy: No. We feel that tax information should be secret and should not be freely exchanged. You say in the first part it's privileged and then you go on to open the door wide.

It's terrible. You don't understand it. It's funny; after all this time here you are getting to be an old man and you still don't understand what I am trying to say. It's terrible.

Mr. Chairman: To the members of the committee, is there any more discussion—

Mr. Roy: Mr. Chairman, my point to the minister is simply this. Surely there has to be a better reason than reciprocity for having this type of section? That type of information is not allowed under the Income Tax Act. You can't trade income tax information and the federal government can't exchange income tax information with other departments. What are you talking about? It's terrible.

Mr. Chairman: Is there any more discussion in regard to section 18? I said I will take the votes on the subsections separately, but is there any more discussion on the entire section?

Mr. Renwick: Mr. Chairman, in the ecumenical spirit in which the debate has been conducted this evening, I would certainly suggest it would be possible to group items 1 and 2, item 3, then item 4 and then items 5 and 6. We would have to ring the bells, I think, only three or four times.

Hon. Mr. Meen: Do you see the point?

Mr. Chairman: Let's take them one at a time.

All those in favour of section 18, subsection 1, please say "aye."

All those opposed will please say "nay."

In my opinion, the "ayes" have it.

Do you want to stack this?

Mr. Renwick: Yes, we'll stack it.

Mr. Chairman: Subsection 2, all those in favour please say "aye."

All those opposed please say "nay."

In my opinion, the "ayes" have it.

Do we agree to stack this?

On subsection 3, all those in favour please say "aye."

All those opposed please say "nay."

In my opinion, the "ayes" have it.

I declare the motion carried.

On subsection 4, all those in favour please say "aye."

All those opposed please say "nay."

In my opinion, the "ayes" have it.

May we stack subsection 4?

Mr. Renwick: I think it's about time we rang the bells.

Mr. Chairman: I'm making pretty good progress as a neophyte chairman, let me go on with it.

On subsection 5, all those in favour please say "aye."

All those opposed please say "nay."

In my opinion, the "ayes" have it.

May we stack that one?

On subsection 6, all those in favour please say "aye."

All those opposed please say "nay."

In my opinion, the "ayes" have it.

We have all of them stacked except subsection 3, and I have put my initials beside it as carried.

Section 19.

Mr. Renwick: No. We are only stacking for the purpose of calling the vote at the end of the section.

Mr. Chairman: In the matter of section 18, subsection 3 had been agreed to, but the other subsections have been stacked.

The committee divided on subsection 1 of section 18, which was approved on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 61; the "nays" are 8.

Subsection 1 of section 18 agreed to.

The committee divided on subsection 2 of section 18 which was approved on the same vote.

Subsection 2 of section 18 agreed to.

The committee divided on subsection 4 of section 18 which was approved on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 47, the "nays" are 22.

Subsection 4 of section 18 agreed to.

The committee divided on subsection 5 of section 18 which was approved on the same vote.

Subsection 5 of section 18 agreed to.

The committee divided on subsection 6 of section 18 which was approved on the same vote.

Subsection 6 of section 18 agreed to.

Section 18 agreed to:

On section 19.

Mr. Chairman: Order please. Section 19. The minister has an amendment to section 19.

Mr. Renwick: I would suggest the committee rise and report.

Hon. Mr. Meen: Mr. Chairman, did I lose you somewhere? Did you take care of subsection 3?

Mr. Chairman: Subsection 3 was carried before.

Hon. Mr. Meen: Right.

Interjections by hon. members.

Mr. Chairman: Order, please.

Mr. T. P. Reid (Rainy River): The House leader is going to adjourn the House.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Chairman, before you proceed, I would like to move that the House sit beyond the hour of 10:30.

Interjections by hon. members.

Mr. Chairman: Order, please. Mr. Winkler moves that the House continue to sit beyond the normal hour of 10:30.

Some hon. members: No way.

Interjections by hon. members.

Mr. Chairman: Order, please.

Mr. D. M. Deacon (York Centre): Mr. Chairman, I think it's important—

Mr. R. D. Kennedy (Peel South): Where is your leader (Mr. R. F. Nixon)?

Mr. Deacon: —and I would ask the House leader to consider the fact that good progress has been made in this bill tonight, and we do not think it is necessary for us to go beyond the normal hour of sitting. I would ask the House leader to reconsider and to withdraw that motion, because I think that we have had enough for this time. Can we please have his co-operation? I can assure the House leader that we will do everything to frustrate him if he continues to do this.

Mr. Kennedy: We have a lot of work to do.

Interjections by hon. members.

Mr. Deans: Mr. Chairman, on a point of order

Mr. Roy: We'll play along with you.

Interjections by hon. members.

Mr. Chairman: Order, please. The member for High Park was on his feet first.

Mr. Shulman: I want to speak to the motion.

Interjections by hon. members.

Hon. Mr. Grossman: There is statesmanship.

Mr. Chairman: I recognize the member for—

Mr. W. Hodgson (York North): The member for High Park can sit down.

Mr. Chairman: Order please. I recognize the member for Wentworth.

Mr. Deans: Thank you. Mr. Chairman, it was my understanding, and I believe it to be correct—

Interjections by hon. members.

Mr. Chairman: Order please.

Mr. Deans: —that a motion for the House to sit beyond the hour of 10:30 must be made with the Speaker in the chair and cannot be made by the committee.

Mr. J. E. Bullbrook (Sarnia): That's right.

Interjections by hon. members.

Mr. Chairman: Order.

Mr. Deans: I would like to suggest that such a motion would have to be made after the motion that the committee rise and report.

Mr. Chairman: Order, please. There is ample precedent of it being done previously.

Mr. Deans: There is no precedent.

Mr. Renwick: There is no precedent.

Mr. Chairman: Yes, there is.

Mr. Deans: There is no precedent.

Interjections by hon. members.

Mr. Chairman: I have been in the chair when the motion has been placed and carried.

Mr. Renwick: That is not true.

Mr. Deans: I challenge that because that cannot be so.

Mr. Bullbrook: Don't challenge it.

Mr. Deans: I ask you to cite the precedent.

Mr. Bullbrook: That's right.

Mr. Renwick: It is impossible.

Interjections by hon. members.

Mr. Chairman: The precedent is as I cited it.

Mr. Deans: I ask you to cite the precedent. I refer you to page 2 of standing orders. It says that—

Mr. Kennedy: How did you happen to have that there?

Mr. Deans: How do I happen to have it here? I have it here all the time.

Mr. Chairman: Order, please.

Mr. Deans: It says: "The Speaker shall"—I read to you from section 3—

Mr. Chairman: Order, please.

Mr. Renwick: Don't give us the order business. Come on, listen.

Mr. MacDonald: He doesn't want to be confused by standing orders.

Mr. Deans: I'll read to you from section 3, if I may, page 2 of the standing orders of the House. It says:

> If at 6 p.m. on any Monday, Tuesday, Wednesday or Thursday the business of the day is not concluded, the Speaker shall leave the chair until 8 p.m. and the House will continue until 10:30 p.m. unless otherwise ordered by government motion.

The government motion to extend must be made when the Speaker is in the chair, because it says: "The Speaker shall leave the chair at 10:30."

Mr. Renwick: That is right, exactly.

Mr. Deans: There can be no precedent.

Mr. Renwick: Let's not fool around with the rules anymore.

Mr. Chairman: Order, please.

Interjections by hon. members.

Mr. Chairman: Order, please. The rules of the House apply in committee and there has been precedent. I distinctly recall.

Mr. Renwick: There is no precedent for it.

Mr. Stokes: It being 10:30 of the clock I move we adjourn.

Mr. Chairman: No, we can't—

Mr. Bullbrook: That is not debatable.

Interjections by hon. members.

Mr. Chairman: Order, please. We have another motion before the House.

Mr. Shulman: It is 10:30. I want to speak to the motion.

An hon. member: There's no debate.

Mr. Shulman: What do you mean there's no debate? How can there be no bloody debate?

Interjections by hon. members.

Mr. Chairman: Order, please. I recognize the member for High Park.

Mr. Shulman: Mr. Chairman, the reason I wished to speak to this motion is we must have co-operation; the House leader has said on a number of occasions we must have co-operation in this House. At 3 o'clock this afternoon, members of this party were informed by Hansard that we were going to be sitting late tonight. So that we could make our plans, I approached the House leader and asked him if this was true, and he said that it was not true. I asked him if he was going to change his mind would he let me know, and he said he would. What kind of co-operation is this? How do you expect any co-operation from us?

Interjections by hon. members.

An hon. member: Give it to them.

Hon. Mr. Winkler: Mr. Speaker—

Mr. Shulman: Now, I am not through. You sit down until I am finished. I am not through yet.

Interjections by hon. members.

Mr. Chairman: Order, please.

Mr. Shulman: Sit down!

Mr. Chairman: Order, please.

Interjections by hon. members.

Mr. Chairman: Order, please. The member for High Park still has the floor.

Mr. Shulman: Mr. Chairman, if the minister wishes us to continue to co-operate—and there are many occasions on which he needs our co-operation—I would suggest to him most politely that the tactics he has used today are not likely to get that co-operation.

Mr. Renwick: That's right.

Hon. Mr. Winkler: Mr. Speaker, what the hon. member has said is, in part, quite so. As a matter of fact, I said to the hon. member that if the minister whose bill is before the House wished to sit past 10:30 that would be his prerogative. He has said that to me and I have moved the motion.

Mr. Shulman: That is not what you said.

Hon. Mr. Winkler: That's exactly the way it was and that's the way it happened.

Mr. Shulman: Come off it.

Interjections by hon. members.

Hon. Mr. Winkler: Now, on the other hand, when I listen to whatever his position is there, and he is going to frustrate—

Mr. Reid: You wouldn't know.

Interjections by hon. members.

Hon. Mr. Winkler: —every move, I can assure him—

Mr. MacDonald: You are breaking the rules of the House.

Hon. Mr. Winkler: —that that's precisely what I expect of him, that's what I expect of him.

Interjections by hon. members.

Hon. Mr. Winkler: But inasmuch as I have consulted—

Interjections by hon. members.

Mr. Chairman: Order, please.

Hon. Mr. Winkler: I have consulted the rules in regard to this motion, I find it's in order and I have moved the motion.

Mr. Renwick: You find it is in order? Well, isn't that great!

Mr. Chairman: I place the motion. Those in favour—

Interjections by hon. members.

Mr. Deacon: Mr. Chairman—

Mr. Chairman: Order, please. The member has spoken to the motion, I believe.

Mr. Deacon: I can still speak again.

Interjections by hon. members.

Mr. Chairman: The member for York Centre.

Mr. Deacon: Mr. Chairman, I am sorry that the minister—

Mr. Bullbrook: On a point of order, did you or did you not hear, as I heard, a motion to adjourn, and if you did—

Mr. Chairman: Order, please.

Mr. Bullbrook: Never mind saying "order please", just give me one moment. I asked you a question.

Interjections by hon. members.

Mr. Bullbrook: I asked you a question. Did you not hear a motion to adjourn? If you did, please tell me that you did hear it. If you did not, tell me that you did not hear it, because my colleague from Thunder Bay made a motion to adjourn, and if there is a motion to adjourn there is no more debate.

Mr. Chairman: Order, please. Yes, I heard the motion but there is already a motion before the House, properly placed, at present.

Mr. Bullbrook: A motion to adjourn supersedes any other motion.

Mr. Chairman: No.

Mr. Bullbrook: Would you please, would you please—

Interjections by hon. members.

Mr. Bullbrook: A motion to adjourn supersedes any other motion. Now would you please put that motion to us now?

Mr. Chairman: No. Order, please. The proper procedure is for us to dispose of the first motion.

Mr. Bullbrook: No.

Some hon. members: No.

Mr. Reid: Read the rules.

Mr. Bullbrook: Do you have that advice from the clerk?

Mr. Roy: Mr. Chairman, if I could talk for just a moment, if you look at standing order 31(a), you'll see: "A motion to adjourn the House or the debate is in order any time after the orders of the day."

Mr. Bullbrook: Right. So put that to us.

Mr. Roy: We think it's important to follow precedent around here.

Mr. Bullbrook: Right.

Hon. Mr. Winkler: That is quite in order. If the Speaker is in the chair, that is correct.

Interjections by hon. members.

Mr. Bullbrook: Is the House leader saying that the rules that apply to the Speaker do not apply in committee? Is that what you are saying?

Interjections by hon. members.

Mr. Bullbrook: Because that is the advice that the Chairman just gave us a moment ago.

Mr. MacDonald: You are trying to frustrate the rules of the House and you are getting nowhere.

Mr. Shulman: You are cutting your own throat.

Interjections by hon. members.

Mr. Shulman: You are arrogant.

Mr. Bullbrook: You can't have it both ways, Mr. Chairman.

Mr. Shulman: You are trying to pervert the rules of the House and you don't understand the rules. The House leader has made a classic error tonight, one you won't forget for a long, long time.

Mr. Chairman: Order, please. The hon. member for Thunder Bay's motion was to adjourn the House—

Interjections by hon. members.

Mr. Chairman: Well, we can't adjourn the House from the committee of the whole House.

Hon. Mr. Winkler: All right, fine. It's your decision, and we'll abide by it.

An hon. member: But—

Mr. Chairman: Order, please.

Mr. Deans: Mr. Chairman, if I might ask you—

Mr. Chairman: Order, please. The motion before us then is to continue sitting beyond 10:30. Those in favour—

Interjections by hon. members.

Mr. Renwick: That motion cannot be put.

Mr. Deans: I contend, Mr. Chairman, on a point of order—

Mr. Good: I'd like to speak to the motion to sit beyond 10:30.

Mr. Deans: I rise on a point of order, Mr. Chairman. If it is not possible to move adjournment of the House in the committee—

Mr. Renwick: That's right.

Mr. Deans: —it is equally not possible to move that the House sit beyond the normal hours in committee.

Mr. MacDonald: Hear, hear. Now there's a bit of logic.

Interjections by hon. members.

Mr. Deans: I contend, sir, that if it isn't possible for us to adjourn this House in committee, we can't decide in committee that the House will sit beyond 10:30.

An hon. member: That's right.

Mr. Deans: Therefore, since on my point of order I claim that that be so, if you agree with me, I would move the committee rise and report.

Mr. Bullbrook: The House leader has done it again, in his own inimitable fashion.

Mr. Shulman: Even the Globe will write him up this time.

Mr. Kennedy: Mr. Chairman, speaking on whatever is before the House—

Interjections by hon. members.

An hon. member: A point of order—

Mr. Kennedy: On a point of order, Mr. Chairman—

Interjections by hon. members.

Mr. Chairman: Order, please.

Mr. Deans: The point of order—

Mr. Kennedy: All right. I'm speaking to the point of order.

Interjections by hon. members.

Mr. Kennedy: The applicable standing order, I would suggest, Mr. Chairman, is No. 28(e)—

Mr. Renwick: That is the one we misunderstood.

Hon. Mr. Winkler: Let's have a look at it.

Mr. Kennedy: It reads: "When the House continues to sit past 10:30 o'clock, p.m., on government motion as provided in standing order 3, the adjournment proceedings under this standing order should be suspended."

Now, standing order 3—

Mr. Deans: You are talking about the wrong thing.

Mr. Kennedy: —states: "The House will continue until 10:30 o'clock, p.m., unless otherwise ordered by government motion." A government motion is before the assembly here.

Hon. Mr. Grossman: It's as clear as a bell.

Mr. Kennedy: Mr. Chairman, it's as clear as a bell, and I suggest we proceed.

An hon. member: That's really confusion.

Mr. Deans: Mr. Chairman, if I may speak to the ultimate confusion, standing order 28 deals with a particular procedure before the House—

Hon. Mr. Grossman: We like No. 26. Which number do you like?

Mr. Deans: It deals with something called proceedings on adjournment.

Mr. Renwick: We like 1(a).

Mr. Deans: It refers directly to the matter of debate on a question that has not been satisfactorily answered. It has no application to what we are discussing here right now.

Hon. Mr. Grossman: Big deal, big deal.

Mr. Chairman: Order, please.

Mr. Deans: May I have a ruling?

Mr. Chairman: Yes. The appropriate motion—

Mr. Good: I wish to speak to the motion.

Mr. Chairman: Which one?

Mr. Good: There can be only one motion before the House. I'd like to speak to the motion to sit beyond 10:30. I think that's my privilege.

Mr. Deans: I've asked for a ruling on my motion.

Mr. Chairman: Order, please.

I am advised that the motion which has precedence is the one to rise and report. Mr. Deans moved that the committee rise and report.

Those in favour of Mr. Dean's motion will please rise.

Mr. Reid: Mr. Chairman, on a point of order—

Mr. Chairman: No, there is no debate—

An hon. member: You are out of order.

Mr. Chairman: No, there is no point of order on that.

Mr. Shulman: Let him place his point of order first.

Mr. Reid: Mr. Chairman—

Interjections by hon. members.

Mr. Reid: Mr. Chairman—

Mr. Chairman: Order, please. Yes?

Mr. Reid: Mr. Chairman, before you put that motion, I would ask you to read the standing orders of the Legislature.

Interjection by an hon. member.

Mr. Reid: I was fortunate or unfortunate to be a member of that select committee that arrived at the standing orders of the Ontario Legislature. And I might say, Mr. Chairman, that this particular circumstance was never envisioned by the members of that committee.

Interjection by an hon. member.

Mr. Chairman: Order, please.

Mr. Reid: No. Wait, Mr. Chairman—

Interjection by an hon. member.

Mr. Reid: Mr. Chairman, if you will read the standing orders very carefully, you will see that a motion to adjourn the House in regard to the standing orders is particularly in order. We don't want to do that, but we have had no motion and no prior consideration from the government side in regard to continuing the debate on Bill 25. I would say to you, Mr. Chairman, there is no precedent that we should continue in this regard.

Hon. Mr. Grossman: If that doesn't clear things up, nothing will.

Mr. Reid: The parliamentary procedure is purely and simply laid down in the Legislative Assembly of Ontario Standing Orders and there's nothing in those orders that provides for this particular contingency.

Mr. Roy: Right on!

Hon. Mr. Grossman: Would the member repeat that?

Mr. Reid: I would say most respectfully to you, Mr. Chairman, that the motion is out of order. This bill is out of order after 10:30. We should adjourn the House and we should continue with the usual orders in the next sitting of the Legislature. And that is what we are trying to do here tonight in the Legislature.

Mr. W. Hodgson: Keep talking.

Mr. Reid: I would say to you most respectfully, Mr. Chairman, that the next time this committee should sit is after the question period on Thursday as the committee of whole House, as constituted by the standing orders of the legislative assembly of Ontario. To do less or even more than that is an abrogation of the rules of the Ontario Legislature.

Interjections by hon. members.

Mr. Reid: I would say further, Mr. Chairman, that I think that it is your duty to adjourn.

Interjections by hon. members.

Mr. Reid: Mr. Chairman, I would refer you to page 8 and page 9 of the Legislative Assembly of Ontario Standing Orders, and I would ask you to adjourn the debate on this bill and ask that the committee rise and report and that we continue this debate on the Thursday afternoon as constituted by standing orders in this Legislature.

Interjections by hon. members.

Mr. Chairman: Order, please.

Hon. Mr. Winkler: Mr. Chairman, let me reiterate once more that I did consult. I know that the motion is in order. I know that it can be moved at this stage of debate. I'm also aware of the fact that the rules are clear in regard to government motions, despite what any opposition member wanted to do—

Mr. J. F. Foulds (Port Arthur): Whom did you consult with?

Hon. Mr. Winkler: —and I have moved the motion that we sit beyond the hour of 10:30.

Mr. Reid: The minister doesn't care about the democratic system.

Interjections by hon. members.

Mr. Chairman: Order please.

Mr. H. Worton (Wellington South): Mr. Chairman, I think we have had considerable debate on whether this is in order or not. I would urge the House leader to consider, with the progress that has been made today on the bill, to set it aside until Thursday as it is more appropriate. I think, sir, you have had a very trying time and it would be very good if you would do that.

Hon. Mr. Winkler: Mr. Chairman, that's the first voice of reason that has come across the floor this evening. Inasmuch as our report is reasonably good, I am prepared to accept the idea—

Mr. Shulman: The minister has to be coaxed.

Hon. Mr. Winkler: —that maybe we should have a limited debate. If they would agree, we could set some hour at which we could adjourn.

Mr. Shulman: At 10:30.

Mr. Chairman: Order, please.

Interjections by hon. members.

Mr. Reid: I move, Mr. Chairman, that we adjourn now.

Interjections by hon. members.

Mr. Shulman: A partial retreat isn't enough —all the way back.

Interjections by hon. members.

Mr. Chairman: Order, please. I rule that the motion before us is Mr. Deans' motion to rise and report. I place the motion.

Those in favour of Mr. Deans' motion will please rise.

Those in opposed will please rise.

Mr. Shulman: On a point of order, Mr. Chairman.

Interjections by hon. members.

Mr. Chairman: Order, please.

Clerk of the House: Mr. Chairman, the "ayes" are 22; the "nays" 47.

Mr. Chairman: I declare the motion lost.

Mr. Deans: Point of order, Mr. Chairman; I am sorry to raise this with you really, but the vote was improperly taken.

An hon. member: Right.

Mr. Deans: It was impossible to bring it to your attention during the time it was being taken, because that is out of order.

Mr. Chairman: We will take it again, if you wish.

Mr. Deans: I now bring it to your attention that if you are going to have a standing vote it requires that there be a division bell.

Interjections by hon. members.

Mr. Chairman: We will place the motion more properly. I noticed a few seconds after I started that—order, please.

Mr. Reid: The bell should have been rung.

Mr. Shulman: You don't ask people to rise anyway. Ask who is in favour and who is against. Let me explain it to you.

Mr. Chairman: Those in favour of Mr. Deans' motion will please say "aye".

Those opposed will please say "nay".

In my opinion the "nays" have it.

Interjections by hon. members.

Mr. Deans: Now, we'll have a vote.

Mr. Chairman: Call in the members.

An hon. member: Ring the bell. You are going to ring them for a long, long time.

Mr. Chairman: Order, please. The motion as moved by Mr. Deans, was that the committee rise and report.

The committee divided on Mr. Deans' motion to rise and report, which was negatived on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 20 and the "nays" are 48.

Mr. Chairman: I declare the motion lost.

We have before us then, Mr. Winkler's motion to sit beyond the normal hour of 10:30. Shall this motion carry?

Interjections by hon. members.

Mr. Chairman: I recognize the member for Wellington South.

Mr. Worton: Mr. Chairman, I would like to suggest to the House leader, in view of the experience that we have enjoyed tonight, that we should call an adjournment at five minutes after 12, in three minutes from now.

Hon. Mr. Winkler: May I hear that again?

Mr. Worton: Let's adjourn at five minutes after 12. That will be enough time to get everything in order and get out of here.

Hon. Mr. Winkler: Mr. Chairman, I regret that I can't accept that suggestion at this hour.

Interjections by hon. members.

Mr. Chairman: The member for Wentworth.

Mr. Deans: Mr. Chairman, since it is obvious that we can't get that degree of co-operation—

Mr. Lawlor: They had better get rid of the House leader.

Mr. Deans: —I want to suggest to you, sir, that the committee of the whole House does not have, under any rule, the power to extend the hours of sitting of the House.

Mr. Kennedy: The power is not to extend.

Mr. Deans: I want to suggest to you that if this committee is permitted to pass a motion simply on the strength of the government members being larger in number than those of the opposition, then the rules—

Mr. E. M. Havrot: (Timiskaming): Why not?

Mr. Lawlor: Their bulk, their weight.

Hon. Mr. Grossman: Stop being so self-righteous.

Mr. Renwick: You people are in trouble.

Interjections by hon. members.

Mr. Deans: I say to you that if the committee is to be permitted to vote to extend the hours of sitting of the House on the strength of the government having more members than the opposition, then every single rule in this book is worthless. Because it means that at any time the government can move to alter any rule to satisfy itself or its own whims.

Hon. Mr. Grossman: Like waiting for you for an hour and a half. Is that the way we are riding roughshod over you?

An hon. member: Of course we can.

Mr. Deans: Now the rules were made by an all-party committee, and they were made because they appeared to offer fair guidelines for the operations of this House.

Hon. J. A. C. Auld (Minister of Colleges and Universities): And you just screwed them up for an hour and a half.

Mr. Deans: If in fact there is to be a precedent set, then I suggest to you, Mr. Chairman, there are only two ways in which a legitimate precedent to the rules can be set, and both of those ways require that the Speaker be in the chair. To begin with, it is not legal for a committee to alter the rules, because the rules apply to the Legislature; the committee gets its power from the Legislature and must abide by the legislative rules.

If there's to be a change in the rules then that change can only be brought about in one of two ways, either by the unanimous consent of the House to change the rules or by a ruling of the Speaker which is either unchallenged and accepted or challenged and voted upon.

At this point we are being asked in this committee to alter the rules of the House, not only the rules of the committee but the rules of the House, and to extend the sittings of the House beyond those which are legally permitted within the standing orders. I suggest to you, sir, that this cannot be done. If there are precedents and if they are considered by you to be precedents, they are invalid. They are invalid for this reason, that they dealt not with a change in the rules but rather with a particular situation of that time.

At this point, at 12:07, we are being asked—

Interjections by hon. members.

Mr. Chairman: Order, please.

Mr. E. W. Martel (Sudbury East): You will be another hour and a half next time.

Mr. Deans: I have got a lot of time. I am not going to be dissuaded because the point is far too important.

Mr. Chairman: Order, please.

Mr. Deans: The rules of the Legislature, sir, are far too important to be run over roughshod. They are far too important. I want to bring to your attention since it's being pointed out to you by some members who have not been recognized, that we have been sitting around here for an hour and a half. I want to point out to you that at the government's instigation in times gone by, we have sat here for two hours, 2½ hours, and on one occasion for four hours and 35 minutes while we waited for the government to find its members to win a vote.

An hon. member: Sit down. You are a loser and you know it.

Interjections by hon. members.

Mr. Chairman: May I bring this to a conclusion please?

Mr. Reid: Mr. Chairman, I would like to say a few words, if I may, on this motion.

Mr. Chairman: Order, please. I would like to rule on the hon. member for Wentworth's motion.

Mr. Reid: No, Mr. Chairman, with all due respect, I think I have the opportunity to say my piece as regards the motion of the member for Wentworth.

Mr. Chairman: Order, please. The member will sit down when I call order.

Mr. Shulman: He is allowed to speak to the motion.

Mr. Chairman: We are not at this particular moment debating the motion which the member mentioned.

I would like to say this. I ruled previously that we were in order. At this moment, I stick to that. It's quite evident that the rules don't adequately cover this situation, and ruling as I ruled before, because of precedent—

Mr. Renwick: The rules adequately cover it.

Mr. Chairman: Order, please.

Mr. Renwick: Let's not have the rationalization; the rules are clear. The rules are clear and you know it.

Mr. Chairman: Just let me finish.

Interjections by hon. members.

Mr. Chairman: Order, please.

Mr. Renwick: The rules are always clear.

Mr. Chairman: I shall refer this to Mr. Speaker and ask for a ruling from him on this matter.

Mr. Renwick: Yes, that is very wise.

Mr. Chairman: And hopefully—

Mr. Deans: Will that be done now?

Mr. Chairman: No, I can't do that tonight. I will do that tomorrow.

Mr. Foulds: We cannot proceed against the rules of the House and ask for a ruling tomorrow.

Mr. Reid: Can I ask—

Mr. Chairman: Order, please. I have ruled.

Mr. Reid: I feel I have the right to speak on the motion put by the hon. member for Wentworth. Mr. Chairman, the House leader for the Conservative Party put a motion and I think that I should be entitled to speak to it.

Mr. Chairman: I haven't ruled the member out of order on that.

Mr. Reid: I am sorry. Did you say his motion was not in order?

Mr. Chairman: Order, please. Would the member take his seat?

Mr. Reid: Did you say that his motion was not in order?

Mr. Chairman: If the member would just cease his talking, I will make it clear.

Mr. Deans: I want to hear what you said.

Mr. Chairman: I said I have ruled on the matter we were discussing earlier. At the moment, my ruling stays the same.

Mr. Bullbrook: Please tell me about your ruling.

Mr. Chairman: The ruling is that the motion to sit beyond 10:30 is in order in committee of the whole House. I have ruled that; but as I say, I undertake to take it up with Mr. Speaker, who may make it more definitive one way or the other.

Mr. Shulman: You have to take it up tonight.

Mr. Deans: Well, Mr. Chairman—

Mr. Chairman: Now, we have before us—

Mr. Deans: I regret, if I may. I regret I must—

Mr. Chairman: Order, please. Order.

Interjections by hon. members.

Mr. Deans: I challenge your ruling, sir; I'm sorry. I have to in order to preserve the rules.

Mr. Reid: Having said that, the chairman, being Mr. Deputy Speaker—

Mr. Chairman: Order, please. Before the next session I shall refer it to Mr. Speaker. I have made my ruling. The hon. member for Wentworth says he wishes to challenge it.

Those in favour of the Speaker's ruling will please say "aye."

Mr. Foulds: No, no. Chairman's ruling.

Mr. Chairman: Chairman's ruling.

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

Mr. Shulman: Out we go again.

Mr. Chairman: Call in the members.

Interjections by hon. members.

Mr. Chairman: Order, please.

Mr. Stokes: On a point of order, two members have just come in—no, three members have just come in.

Mr. Chairman: Well, they were not counted.

Mr. Stokes: The doors are supposed to be closed when a vote is being taken.

An hon. member: Sit down.

Mr. Stokes: I won't sit down. You try and make me.

Mr. Chairman: Order, please.

Interjections by hon. members.

Mr. Chairman: Order, please.

The committee divided on the chairman's ruling, which was upheld by the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 42, the "nays" are 19.

Mr. Chairman: I declare the ruling upheld. I recognize the hon. minister.

Hon. Mr. Meen: It being 1:05 in the morning, and it being obvious, to me at least, that the opportunity for productive debate has long passed, I move that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports progress and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, before I adjourn the House let me say that I am appalled at the ability of the NDP to frustrate the Legislature.

Interjections by hon. members.

Mr. Speaker: Order, please.

Hon. Mr. Winkler: Mr. Speaker, just before calling the business of the House for Thursday, I will say that I am also amazed at the activity of the whip of the NDP just before the House closed.

Interjections by hon. members.

Mr. Speaker: Order.

Mr. I. Deans (Wentworth): Just before the adjournment of the House—

Interjections by hon. members.

Mr. Speaker: Order, please. Order. Would the hon. member for Wentworth take his seat? The leader of the House would like to announce what we are going to do on Thursday next.

Hon. Mr. Winkler: Yes, Mr. Speaker, I would, and I would like to say that I was amazed at the whip of the NDP—

Mr. Speaker: Order. Order. Will the House leader make his announcement for Thursday please?

Mr. D. C. MacDonald (York South): The minister's incompetence has been exposed for what it is.

Mr. P. D. Lawlor (Lakeshore): Don't let him fool around. Let the minister just say what he has to say.

Hon. Mr. Winkler: That is exactly what I want to do.

Mr. J. A. Renwick (Riverdale): Resign. Withdraw.

Hon. Mr. Winkler: Fool? The member will be known as the greatest of all fools.

Interjections by hon. members.

Mr. Deans: He refuses to do anything.

Interjections by hon. members.

Mr. Speaker: Order. Order, please. Order.

Interjections by hon. members.

Mr. Speaker: Can we have a little bit of order and act like responsible people elected to come to this Legislature and conduct the business of the Province of Ontario? Will the House leader announce what we are going to do on Thursday so the opposition members will have a chance to prepare themselves?

Mr. Lawlor: His party has to put up with him. We don't have to.

Hon. Mr. Winkler: Yes, Mr. Speaker, we will return to the same order of business on Thursday. I move the adjournment of the House.

Mr. Lawlor: That's better.

Mr. Deans: Mr. Speaker, just before you move the adjournment—

Hon. Mr. Winkler: I moved the adjournment. I moved it. Sit down.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 1:10 o'clock, a.m.

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Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

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Thursday, May 30, 1974

Afternoon Session

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Clerk: Roderick Lewis, QC

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(Daily index of proceedings appears at back of this issue.)

LEGISLATIVE ASSEMBLY OF ONTARIO

The House met at 2 o'clock, p.m.

Prayers.

Mr. E. M. Havrot (Timiskaming): Mr. Speaker, I am proud to welcome 80 students and eight adults—60 students seated in the east gallery and 20 in the west gallery—from Ecole Intermediare St. Michel, in New Liskeard in the great riding of Timiskaming. I ask the members present to welcome our students.

Hon. J. R. Rhodes (Minister of Transportation and Communications): Mr. Speaker, I am pleased to have this opportunity to introduce to you, and through you to the hon. members of this Legislature, 34 grades 7 and 8 students with their supervisor, Sister Adeline Ryan, from St. Ann School in Sault Ste. Marie, who are seated in the east gallery.

Mr. Speaker: Statements by the ministry.

TORONTO ISLAND AIRPORT

Hon. Mr. Rhodes: Mr. Speaker, because of a series of misleading and inaccurate statements and questions which have been made, both in this House and elsewhere, I should like to advise the members of the facts as they relate to the Toronto Island Airport and the involvement of my ministry.

During the past 10 years, there have been a large number of reports issued on the island airport. Many of these have dealt with the question of converting the island airport into a STOL airport, while others have recommended using this location for other purposes, for example, the concept as proposed by the Toronto Harbour Commission. Some of the information contained in these reports is contradictory.

The responsibility for air transport rests solely with the federal government. But in March, 1972, it was agreed that the federal and this government would examine the utilization of the existing Toronto Island Airport for short takeoff and landing aircraft as this technology develops. A federal Ministry of Transport report, dated November, 1973, concludes that from a technical viewpoint STOL aircraft could operate into the island airport under instrument flight rules using the latest navigation and approach aids.

The Toronto Harbour Commission, which is responsible for the operation of the airport, has faced a financial deficit for some years with the accumulated deficit now being in excess of $1 million. This year it is estimated that their deficit will be approximately $300,000, and they have indicated that without financial suport from the federal, and possibly the provincial government, they will have to consider closing the airport at the end of 1974.

Faced with this impending action and recognizing the strategic location of the island airport from a transportation point of view, the Ministry of Transportation and Communications, in order to better appreciate the recommendations which had been made over the past 10 years, and so that their implications on various levels of government and other interested groups could be identified, agreed to participate in a Toronto Island Airport committee.

The fact that this ministry agreed to chair this committe should not be misconstrued as meaning that it has the prime responsibility or role, but rather it has simply accepted the job of a co-ordinator. It has been stressed from the outset that this committee's concern lies only with the assembling of various technical documents, analysing them, and through this process identifying the options available for the island airport, together with the consequences and various courses of action.

In March, 1974, the following agencies were invited to apoint a representative to this technical committee—

Mr. S. Lewis (Scarborough West): By whom?

Hon. Mr. Rhodes: —the federal Ministry of Transport, provincial Ministry of Transportation and Communications, Metro Toronto, city of Toronto, Toronto Harbour Commission, Central Waterfront Planning Committee, Metro Toronto Board of Trade—

Mr. Lewis: Why? Why the board of trade?

Hon. Mr. Rhodes: —and the Ontario Aviation Council.

From time to time, the committee received requests from special interest groups to be allowed to attend the meetings. However, the committee felt that conducting such technical investigations in a public forum would have a negative impact on the committee's effectiveness.

It was agreed, however, at the third meeting of the committee that the minutes of the meetings would be made available to these interested parties. In an attempt to bring these interested groups up to date with the progress of the committee, the chairman undertook to prepare a summary of the proceedings, which has been distributed. This summary is not a direct copy of the minutes.

Mr. J. R. Breithaupt (Kitchener): It certainly is not!

Mrs. M. Campbell (St. George): It certainly is not!

Hon. Mr. Rhodes: However, it does contain all of the essential and basic points that were discussed.

Mr. J. A. Renwick (Riverdale): It does not. Every one of Ald. Heap's points was deleted in those minutes.

Mr. Lewis: Who is the chairman of that committee?

Hon. Mr. Rhodes: In creating this summary there was no attempt to distort the facts or mislead people as to the committee's considerations. I shall, however, be pleased—

Interjections by hon. members.

Mr. Speaker: Order. Order.

Hon. Mr. Rhodes: —to recommend to the committee that it make available to the interested parties copies of the full minutes of this meeting if they so wish.

Since all levels of government and agencies that have a direct involvement in the island airport have been invited to sit on the committee, and further, since all interested parties are receiving a summary of the proceedings, it is difficult to understand how anyone can claim this is a secret committee. It must also be made abundantly clear—

Mr. M. Cassidy (Ottawa Centre): It sure wasn't working in public.

Hon. Mr. Rhodes: —that this is not a provincial committee, but that the province is only co-ordinating the efforts of those involved.

Mr. Renwick: The minister said it was a secret committee. He said public hearings would have a negative impact on its effectiveness.

Mr. Speaker: Order, please. Order.

Hon. A. Grossman (Provincial Secretary for Resources Development): Ask those questions during the question period, on the opposition's time.

Mr. Speaker: Order.

Interjections by hon. members.

Hon. Mr. Rhodes: At this point, the committee has identified five options, as follows:

1. Use the existing island airport for other than aviation activities.

2. Maintain the status quo—training and general aviation under visual flight rules.

3. Develop the present site for STOL instrument flight rules commercial operations, and move training and general aviation to a mainland site as required.

4. Develop the present site for STOL operations and move general aviation to another waterfront site.

5. Locate both general aviation and STOL operations to a site at the eastern headland under instrument flight rules.

When options 4 and 5 were discussed by the committee, the representatives of the Toronto Harbour Commission and the Central Waterfront Planning Committee pointed out that these alternatives were beyond the terms of reference of the committee, and that any serious consideration of option 4 and 5 would require an extensive impact analysis and further detailed studies involving participation by all interested groups. This was agreed to by the committee as a proper course of action.

No comment was made regarding options 4 and 5 by the official representative of the City of Toronto, who has only attended for part of one meeting since the committee first met on March 18.

To date, neither provincial nor federal representatives on the committee have expressed a preference for any option, and the committee is still in the process of assembling all pertinent technical data related to each of the alternatives.

I should like to emphasize that the so-called "confidential" report referred to in the media by Ald. Dorothy Thomas, and which allegedly calls for a "general aviation" report on the eastern headland, is, in fact, a draft

summary of previous reports prepared over the past 10 years as a basis for discussion by the committee at its next meeting.

I will not speculate as to why Ald. Thomas has chosen the approach she has, but I can assure the House that no decisions have been taken by the committee or by any level of government that I am aware of, and certainly not by this government. Indeed, a decision on an expansion of the existing airport or the building of a new airport on the Toronto Island is not one which the Ontario government can make. That decision rests solely with the federal government.

Mr. Cassidy: If it is brought out in public the minister recoils.

Hon. Mr. Rhodes: The committee chairman has set a target date of July 1 for completion of a report summarizing the available options, and this report will be submitted to the executive officers of those governments and agencies involved. It is hoped that the information contained therein will enable the responsible levels of government to decide on an appropriate short-term course of action in light of the immediate decisions required on the existing Toronto Island Airport. The decisions reached will undoubtedly have an important bearing on the long-term future use of the airport.

Mr. Cassidy: Will that report be made public?

Hon. Mr. Rhodes: At such time as the report is submitted, I shall be pleased to table in the Legislature copies of all reports and studies which the committee has considered in arriving at its conclusions.

Mr. A. J. Roy (Ottawa East): How many pages did the minister forget to read?

POLICE RAID ON HOTEL

Hon. G. A. Kerr (Solicitor General): Mr. Speaker, I would like to make a statement to the Legislature, as a result of a question by the hon. member for Downsview (Mr. Singer), regarding the police raid that took place on May 11 last by officers of the Niagara region.

Interjections by hon. members.

Mr. Cassidy: Changing his tune, eh?

Hon. Mr. Kerr: The raid was carried out by 53 officers—10 RCMP officers and 43 from the Niagara force, including two policewomen.

In order to provide the necessary background, I should tell hon. members that in October, 1973, the mayor of Fort Erie requested police action to control drug trafficking in that community. There have been seven deaths related to drug abuse in the Niagara region in the last nine months.

The problems in the area were accentuated by a tightening up of narcotics laws in New York State. Addicts resorted to Canadian border towns to seek out people selling illicit drugs, particularly heroin.

During the winter of 1973, with the heroin problem increasing, the Royal Canadian Mounted Police launched an undercover operation. During this time the Niagara region police worked with the RCMP and a number of arrests were made in the Fort Erie area. On one occasion a check was made of people crossing the border from Buffalo and of 23 suspects examined, 95 per cent were found to be addicted to heroin and 80 per cent to have criminal records.

Mr. V. M. Singer (Downsview): They didn't examine everyone who came across the border, did they? Only 23?

Hon. Mr. Kerr: One of the places about which police received a great number of complaints was the Landmark hotel. Two men were arrested in the parking lot last October and subsequently convicted on possession charges.

Early this year police received more complaints about drug trafficking and drug abuse at the Landmark. Police intelligence reports indicated that this hotel was being used as a halfway house by traffickers who were pushing drugs to teenagers. Police officers posing as patrons discovered that drugs were being abused and trafficked openly on the premises.

On May 11, 1974, the Niagara police obtained a search warrant under the Narcotics Control Act for the premises of the Landmark hotel. I should mention, Mr. Speaker, that it is my understanding that this hotel charges a small admission fee and that there is apparently only one entrance through which patrons can enter the premises. I further understand that two employees have criminal records and that at least one employee has been convicted of possession of drugs.

Mr. Roy: Oh yes.

Hon. Mr. Kerr: During the course of the evening police officers inside the hotel were apparently recognized and a number of patrons left. One officer was told when the

actual raid took place, "You fellows are too late. We knew the police were coming and one guy came around and collected most of the drugs and left before you came in."

Mr. Breithaupt: And they didn't believe him.

Hon. Mr. Kerr: When police did raid the premises about 11 p.m., there were a number of men known to police as convicted or suspected drug traffickers. Included was another Fort Erie man who was facing charges of trafficking in heroin and has subsequently been convicted and is currently awaiting sentence.

I am informed, Mr. Speaker, that of 115 persons on the premises, 43 were stripped and searched. This included all 36 women present.

Mr. Singer: All 36 women?

Hon. Mr. Kerr: They were searched in pairs in the washroom and with one exception were not touched or handled physically in any way. The one young lady who did object to the search was not forced to disrobe completely and was let go following a visual check.

Mr. Breithaupt: Really?

Mr. Singer: By a visual checker, first class!

Hon. Mr. Kerr: All the men present were searched by police but only seven, those on whom drugs were found or who were prime suspects, were forced to disrobe.

Mr. M. Shulman (High Park): Why would they make the women disrobe and not the men?

Hon. Mr. Kerr: The policewomen who requested the female patrons to strip were following instructions, as this is apparently the only way in which drugs hidden on the person can be completely detected in these cases. I am advised that 10 charges were laid as a result of the raid, including four drug charges.

Mr. Singer: Four?

Mr. Roy: What else were they looking for?

Hon. Mr. Kerr: None of the women searched was charged. Some eight nickel bags of marijuana and a small amount of drugs found on the floor were confiscated.

Mr. W. Hodgson (York North): The hon. member was joking about it on the radio last night.

Hon. Mr. Kerr: Those on the premises at the time of the raid were all in the 18- to 30-year age bracket.

Mr. Singer: They are the worst kind. They should all be locked up!

Hon. Mr. Kerr: It is important to note, Mr. Speaker, that the actions of the police were at all times lawful.

Mr. Singer: That is not what Diefenbaker says.

Hon. Mr. Kerr: Section 10 of the Narcotics Control Act authorized entry of the hotel without a warrant, but the police had nevertheless obtained a warrant before conducting the raid.

Mr. Cassidy: They were still wrong.

Hon. Mr. Kerr: Section 10 also authorizes the police to search any person found on the premises. I would stress that the prerequisite to entry and search is a reasonable belief on the part of the police that there is a narcotic on the premises.

Mr. Singer: And then the people searched are visually inspected?

Mr. Speaker: Order. Order, please.

Hon. Mr. Kerr: From the foregoing, Mr. Speaker, you will see that there were more than sufficient grounds for such a reasonable belief in this case. I realize full well that the legality of the actions of the police is not in issue in this instance. There is general acceptance that the police acted within the law.

Mr. Cassidy: So why does the minister put so much emphasis on the matter?

Mr. Singer: That is what everybody except Diefenbaker and some other people have thought about it.

Hon. Mr. Kerr: I think that from the foregoing information, it is apparent that the raid was justified. Having said that—

Mr. Lewis: Come on.

Mr. Cassidy: Searching 36 women is justified; and not a single charge.

Mr. Lewis: What is the problem? The problem is the minister, in this case. The Solicitor General is now the problem. He sounds like the commissioner of police in Chicago; not the Solicitor General of Ontario. Not the Solicitor General of Ontario. That is his problem.

Mr. Singer: Resign right now.

Mr. Lewis: He forgets his jurisdiction. This is not the United States we are living in—and the minister should remember that.

Mr. Cassidy: That is the best way for the police to lose the confidence of the public.

Hon. Mr. Kerr: Now, having said that, Mr. Speaker, I am concerned about the fact that in carrying out the raid, a decision was made to automatically search all female persons on the premises—

Mr. Singer: He is concerned. Isn't that nice. Tell the police to do it again, though.

Mr. Speaker: Order, please.

Hon. Mr. Kerr: —whether they had criminal records or were well known to the police or not. I deeply regret that statements made by me, based on preliminary reports, indicating that the raid was probably justified, have been interpreted to mean that I completely agree with the way in which patrons were searched. In fact, I must question the judgement of those who felt that all of these women should be examined in this way.

Mr. Lewis: What is the minister going to do about it?

Mr. Breithaupt: The whole cabinet doesn't like the press any longer.

Mr. Speaker: Order, please.

Mr. Roy: Would the minister do the same thing again?

Hon. Mr. Kerr: Mr. Speaker, I have two concerns. The first is with regard to the search of all female patrons. The second is whether the blanket police authority to search all persons found on the premises should be the subject of further regulation, either by legislation or by way of guidelines set down by the Ontario Police Commission. In view of these two concerns, I have directed the Ontario Police Commission to conduct an investigation under the provisions of the Police Act.

Mr. Singer: Will it be a public investigation?

Mr. Speaker: Order, order.

Hon. Mr. Kerr: I will be placing the commission's findings and any recommendations before the Legislature as soon as possible.

Mr. Singer: Oh sure, private investigation. Another whitewash.

Mr. Speaker: Order, please. Would the hon. minister please take his seat? I would ask the hon. members to kindly afford the minister the courtesy of making his statement before they so rudely interrupt and attempt to create chaos in this House. There are two or three members who particularly are guilty of breaking this rule in this House and I would ask them please to co-operate. The hon. minister may complete his statement.

Hon. Mr. Kerr: As I said, Mr. Speaker, I will be placing the commission's findings and any recommendations before the Legislature as soon as possible. It may be that a report cannot be made until the pending charges have been disposed of, but the Ontario Police Commission will in the meantime proceed with its investigation.

Mr. Cassidy: But in private.

Mr. Lewis: A private investigation.

Mr. Cassidy: What a sham!

Mr. Singer: Another closed investigation.

Mr. T. P. Reid (Rainy River): Here comes the heavyweight.

REDUCTION OF PUBLIC DEBT

Hon. J. White (Treasurer and Minister of Economics and Intergovernmental Affairs): And now the good news. Mr. Speaker, I am pleased to inform the House today that we are now in the process of reducing the outstanding public debt of Ontario by $369 million—

Mr. E. R. Good (Waterloo North): How much did the minister have to borrow to do it?

Hon. Mr. White: —as a result of policies announced in my budget April 9.

Mr. Cassidy: He is borrowing $500 million from the Canada pension fund.

Mr. Good: He had to borrow $1 billion to do it.

Mr. Speaker: Order.

Hon. Mr. White: This is in addition to last year's reduction of $225 million. The 16-month reduction on outstanding public debt, therefore, is $594 million—which is in contrast to the increase I expect to see in the outstanding federal public debt. As a result, taking into acount the maturities scheduled for this fiscal year, the total debt held by the public will be reduced from $1,699 million on March 31, 1973, to $1,105 million.

Mr. Cassidy: This is worthy of Wacky Bennett. It is worthy of Wacky Bennett. That is his kind of computation.

Hon. Mr. White: Now, sir—

Mr. Speaker: Order, please. Order.

Mr. Cassidy: And the minister knows what happened to him.

Mr. Speaker: Order.

Mr. Roy: He is not going to read all that, is he?

Mr. Speaker: The question period will follow.

LAND PURCHASES IN HALDIMAND-NORFOLK

Hon. Mr. White: Mr. Speaker, as I undertook to do on Tuesday, I am now tabling documents related to the purchase of the Townsend site in Haldimand-Norfolk. The list of options shows the average price per acre as $1,936. The figure of $1,943, which I had been using, included some legal and other costs associated with the purchase.

Mr. Good: Litigation.

Hon. Mr. White: The second document shows the out of pocket costs to the consortium associated with the assembly of the townsite, which will be seen as slightly less than $1 million—to be precise $944,945—excluding certain overhead costs. The third document shows the basic details of cost to the consortium of the purchase of the three farms, and this confirms the information which I gave the House last week.

Interjection by an hon. member.

Hon. Mr. White: Wacky Bennett, by the way, left a lot of money for the member's friend Barrett to waste, it must be said.

Hon. Mr. Rhodes: Mr. Speaker, I would like—

Mr. Lewis: He left a lot of money and it's been well used, let me tell the Treasurer.

Hon. Mr. Grossman: Yes, if we could only print money like the feds.

Mr. Speaker: Would you fellows please keep quiet?

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Jet airplanes and the like.

Mr. Cassidy: The number of the Treasurer's borrowings is going up.

Hon. Mr. White: Wacky Bennett left hundreds of millions of dollars from his ministry. Barrett and his socialist friends are running through it just like that.

Mrs. Campbell: Mr. Speaker, would you ask the minister not to interrupt the other minister when he's trying to make a statement?

Mr. Speaker: Yes, would the hon. minister please not interrupt the other minister?

Mr. Breithaupt: Try to play nice.

COMMUNICATIONS IN ONTARIO

Hon. Mr. Rhodes: Mr. Speaker, I would like to place before the House a document entitled "Communications in Ontario."

Mr. Singer: The minister does it with such grace.

Mr. Lewis: He certainly is not gauche at all.

Mr. Reid: Can we have a rerun of that?

Hon. Mr. Rhodes: Mr. Speaker, I do hope that the—

Interjections by hon. members.

Mr. Speaker: Order, please.

Hon. Mr. Rhodes: I do hope that the students in the gallery recognize where all the interruption is coming from.

Hon. W. A. Stewart (Minister of Agriculture and Food): Say "rude interruptions."

Hon. Mr. Rhodes: Mr. Speaker, this document contains the results of a major survey conducted by the Ministry of Transportation and Communications of the perceptions of a wide cross-section of Ontario residents, regarding the impact of communications on their daily lives.

The document interprets their attitude toward the effects of communications upon Ontario residents, as individuals and as members of family groups. It indicates what they consider desirable and undesirable. It outlines their concerns and needs with respect to present communications services and their hopes for the future.

As members of the House know, this government is involved with other provincial governments and with the federal government in discussions which are examining pro-

vincial needs and objectives in the field of communications. We are exploring mechanisms for a full and effective provincial role in meeting uniquely provincial needs and objectives.

The government of Ontario intends to ensure that the needs and views of our residents are considered as fully as possible in future communications developments. The basis of a sound and comprehensive provincial communications policy is assurance that the views of those who are most affected —householders, business and industrial enterprises, educational institutions, municipalities, communities, government and provincial institutions—are reflected in both provincial and national policy considerations.

This report is the first of a series of projected samplings of views designed to ensure that the social requirements of Ontarians are fully reflected in the development of our policies. The mechanisms of communication are vital to the individual. Communications has become a vast, complex and essentially remote enterprise. It is the domain of the specialist. Operational decisions are often made on the basis of expert viewpoint only.

It is not easy to find out how the ordinary person feels about existing services or what the future should provide. To help resolve the need for the participation of the individual, the Ministry of Transportation and Communications conducted the survey which gave rise to this report.

In eight areas of the province 72 discussion groups involving 850 participants were organized. Independent researchers conducted the group interviews. With the consent of all of the subjects, all discussions were recorded in order to provide a complete and permanent record of all survey information.

The report I place before you today is a breakdown of the issues and concerns which the participants expressed when asked to think about how communications affect their lives. On the basis of the study, it is apparent that people want the means of private and personal conversation safeguarded. They desire equality of opportunity to share in communications benefits and they warn against the destruction of existing communications networks which link the individual to others in his community by the imposition of new technology.

People are concerned about the effects of mass communications upon social values, and they indicate areas in which they think the government should be finding answers before embarking on a more-of-the-same kind of policy.

Mr. Cassidy: This is breathtaking.

Hon. Mr. Rhodes: The report makes pointed recommendations to those who are attempting to develop policies for government consideration. It deals with inequalities in existing services; it argues for consideration of the social impact of any new policies before advancing them for examination and possible action.

These views have already influenced our activities and were reflected in statements by my predecessor (Mr. Carton) to the first federal-provincial conference of communications ministers last November.

This is the first time the data has been made public in full. Following the tabling of this document in the Legislature, copies of "Communications in Ontario" will be distributed to groups, organizations and agencies throughout the province with the request that they respond to any of the points made by the original participants or make such reply as they see fit.

Over the summer all responses received will be analysed. If there are any refinements needed to present positions on the various issues raised in the report they will be made and seriously considered in the ongoing policy formulation activities of the ministry.

I would also welcome the comments of all of the members of this House.

Mr. Lewis: On a point of order, if I may, Mr. Speaker, prior to the question period.

I wonder, sir, if on a point of order you might provide some clarification for me and others in the House? As I understand it, a message came through from the Speaker's office yesterday that the intent on the part of the natural resources committee to call a committee session to hear representations on matters affecting the health of the miners at Elliot Lake was seen to be beyond the committee's rights since the estimates which it had been examining—natural resources estimates—had ended on Monday night last and the committee did not have the authority itself to call itself into session as a standing committee of the Legislature and invite such representation.

I wanted to ask you, Mr. Speaker, about the motion which was moved by the House leader (Mr. Winkler) on March 6 in the establishing of the committees, which said they:

> . . . will inquire into all such matters and things as may be referred to them by the House, provided that all boards and commissions are hereby referred to com-

mittees No. 1 to 4 in accordance with the policy areas indicated by their titles.

Mr. Speaker, it was quite clear that doctors at the Workmen's Compensation Board were the first individuals suggested by the Minister of Natural Resources (Mr. Bernier) to appear before the committee on this subject. I take it that it is entirely within this committee's purview or competence to call the Workmen's Compensation Board experts at any time on this matter since in effect, by motion, it has already been given that right.

The motion also says, "All standing committees shall report from time to time their observations and opinions on the matters referred to them with power to send for persons, papers and records." I take it, therefore, that if the Workmen's Compensation Board comes before it to discuss health matters at Elliot Lake, it is within the competence of the committee to requisition information, persons, papers and records which corroborate those submissions from the board or add to them or vary them.

In other words, Mr. Speaker, I am seeking from you, I hope, a change in position or a clarification of the ruling, that the committee should be allowed to proceed as it is apparently authorized to do under the standing rules of the House, and that this important matter not be frustrated.

Mr. Speaker: I should say to the hon. member that I did have an inquiry directed to my office by one hon. member yesterday regarding the powers of standing committees. I suggested to him that the standing committees had the power to deal with those things referred to that committee or committees by the Legislature.

This also includes the right to summon any boards or commissions, which boards or commissions do report through the particular ministry which is being dealt with by that particular standing committee. In conjunction with the summoning of boards and commissions, it seems to me that they could examine the Workmen's Compensation Board in this connection.

My understanding of the inquiry that came to my office was simply whether the standing committee would have the right to summon any persons and to require the production of any documents. This is as I understood it and this, of course, would not be correct. It is only the boards and commissions which report to the ministry being heard or dealt with by that committee. This is my understanding.

Mr. Lewis: Further to the point of order, as I understand it there is nothing to stop the natural resources committee from getting together next Wednesday, as was its intent yesterday, we understood, and bringing before it the Workmen's Compensation Board to discuss a matter totally within the competence of that committee.

Mr. Speaker: It would seem to me that the chairman of the particular committee has that right, yes.

Mr. Lewis: Yes.

Mr. R. G. Hodgson (Victoria-Haliburton): Mr. Speaker, speaking to the point of order, when a committee has been assigned estimates it is not in a true sense, I don't believe under the rules, a standing committee.

Mr. Renwick: Yes, it is a standing committee.

Mr. R. G. Hodgson: It's an estimates committee under the rules of the House. That would be my understanding and I wonder that you wouldn't consider that point.

Mr. I. Deans (Wentworth): On the point raised by the member for Victoria-Haliburton, it says on page 19 under the heading "Supply": "The estimates of any department or departments may be referred to a standing committee."

Mr. R. G. Hodgson: No, estimates committee.

Mr. Deans: No, a standing committee, and that committee remains a standing committee.

Mr. Speaker: Yes, the standing committee has the authority to deal with those particular boards or commissions or the matters of the departments or the bills referred to that particular committee. It has nothing whatsoever to do with the fact that a standing committee may deal with estimates. I think that clarifies the situation.

Mr. Lewis: Mr. Speaker, I want to pursue this one stage of it. Then I have a question. I put it to you on a point of order. I don't know how to resolve it. The committee on two separate occasions in its majority agreed to call representations relating to the health and safety of the miners at Elliot Lake. For reasons I don't entirely understand but I have some suspicion about, the committee did not meet. It was cancelled again yesterday, when it is clearly within the competence of the committee to do as on two occasions we collectively and almost unanimously agreed

to do. I'm sorry, the committee agreed. I was not on the committee. I was sitting in at the time.

Mr. Speaker, how is it then possible for the objects of the committee to be frustrated, for information to be suppressed and for the decisions which we had made collectively to be curtailed, because arbitrarily it is decided that the committee won't sit when it is obviously within its competence? This is a terribly serious matter. I don't think the House rules should be abused this way to serve whatever motives may be at work.

Mr. Speaker: Of course, I'm not at all aware of the circumstances which led to the complaints presented by the hon. member for Scarborough West, but it seems to me, if the committee has decided by a majority that it wants to meet, the chairman should call a meeting of that committee.

Mr. Lewis: Right. How do we get that done?

Mr. Speaker: I know of no reason why he could not or should not call a meeting.

Mr. Lewis: How do we get that done though?

Mr. Speaker: Perhaps the hon. members would take it back to the chairman of the committee and tell the chairman of the committee that they would like to meet so that a committee meeting will be set up.

Mr. E. W. Martel (Sudbury East): Mr. Speaker, speaking to the point of order, there was a unanimous consent to meet yesterday at 10 a.m. The vice-chairman of the committee was advised to call that meeting and he took it upon himself not to call the meeting, contrary to the wishes of the committee.

Mr. Cassidy: That's a point of order!

Mr. Martel: How do we now force that meeting to come about so that we can look into the serious situation at Elliot Lake?

Mr. Lewis: Mr. Speaker, on a point of order, there is a very serious attempt being made to prevent the committee from sitting before the session adjourns, a calculated attempt to prevent us from listening to people who are knowledgeable about the questions of silicosis and cancer in Elliot Lake. I don't understand how the rules of the House can be manipulated in this fashion when a committee has agreed to proceed in a certain way. I would ask Mr. Speaker for his own intervention.

Mr. Speaker: I can only say to the hon. member that my name is not Solomon. I will investigate the matter and I will try to resolve it for the hon. members. I should have more information on it.

Mr. Roy: That's not a bad name.

An hon. member: Allan Solomon Reuter.

Mr. Deans: Mr. Speaker, I also rise on a point of order—a different point of order—dealing with the proceedings of the House. I want to put it to you in this way. The rules of the House dealing with the committee of supply indicate that estimates referred to standing committees must be referred within 30 sessional days and, further, the committee to which such estimates have been referred must report to the House within 75 sessional days from the day of presentation of the budget.

A sessional day is defined as meaning any day on which the House sits. I've been informed by the clerk that Wednesday, though the House does not officially sit on Wednesdays, is considered to be a sessional day. This means that on every Wednesday, though the House is not sitting, one of the 75 days is deducted from the estimate hearings. This means that we are going to run into the same problem we have run into every year for the last four—that at the end of 75 so-called sessional days, the work of the committee will not yet have been completed and we will not have been afforded the opportunity to properly evaluate the estimates of a number of ministries.

I want to ask you, sir, to rule in one of two ways, either to rule that a session day—

Mr. Speaker: I would like the hon. member to not restrict me to one of two ways.

Mr. Deans: Then I would ask you to consider two ways of ruling and to add any other that you desire—other than no—

Interjections by hon. members.

Mr. Deans: —that a sessional day be interpreted as it appears in the rules as a day on which the House sits, and therefore Wednesdays not be considered sessional days; or secondly, that the committee be instructed by the House to sit on Wednesdays for the purpose of hearing estimates, and that for the committees which are required by motion of the government to sit for any other purpose, that day not be considered as a sessional day for the purpose of hearing estimates.

Hon. Mr. Winkler: Mr. Speaker, if I might make a brief contribution. I know of no inhibition to restrain any committee from sitting on Wednesdays.

Mr. Deans: Oh, that's not what I said.

Mr. Speaker: It seems to me that the rules are quite clear, on page 19 of our standing orders, in which first of all, 87(a) sets forth the fact that a sitting means a period of 2½ hours—

Mr. Deans: Right.

Mr. Speaker: —and the term "sessional day" means any day on which the House sits.

Mr. Lewis: Right. It doesn't sit on Wednesday.

Mr. Speaker: But the Wednesdays have been set aside for committee meetings particularly so that the committees may sit on any Wednesday as they are supposed to, as has been ordered by the House.

Mr. Lewis: But that is not a sessional day because the House does not sit.

Mr. Speaker: I think that's a pretty fine point and I think the House could have sat. The fact that it didn't was to permit the committees to sit. I believe the intention of the committee that studied the rules for the House and that brought in a report was that Wednesday would be a sessional day, and that it would be a day on which the committee would sit and that the sittings for that particular day would be included as part of the total 30 days. That is what I believe to be the case.

Again, since the point raised by the hon. member seems to be a very fine point, I will have to investigate it further, but my opinion is that the Wednesday would be counted as one of the sittings.

Mr. Deans: Well, further to the point, sir, and in order that you might consider it in addition to the point I made that you are going to consider, would you then consider that on days when matters other than estimates are being considered by committees, that those days not be considered as sessional days for the purpose of determining the number of days allocated for hearing estimates?

Mr. Speaker: The hon. member lost me after the first sentence. Perhaps he'd repeat it.

Mr. Deans: On the notice paper it says—on this particular day it says nothing—but on the notice paper it frequently says that certain committees will sit for the purpose of studying bills, for example, the Health Disciplines Act. But when a committee is studying a bill, I would suggest that day not be considered as a sessional day for the purpose of estimates consideration, because obviously that day is then deducted from the total number of days available for the committee to hear estimates.

Mr. Speaker: I'll consider that point raised by the hon. member.

Mr. Deans: Thank you, Mr. Speaker.

Mr. Speaker: Oral questions. The hon. member for Kitchener.

POLICE RAID ON HOTEL

Mr. Breithaupt: Mr. Speaker. a question of the Solicitor General, following his statement: In the response of bad reaction, which has been almost universal, to this whole event that took place at Fort Erie, is he prepared to have the police commission's inquiry be a public one so that the full story and background of this matter can be completely clarified once and for all?

Hon. Mr. Kerr: Mr. Speaker, under the Police Act there are one or two sections where an investigation or inquiry can be held by the police commission. Section 56, for example, gives the commission the power to hold hearings and all the authority it would have under the Public Inquiries Act. Therefore I would assume that if, during the course of the investigation, the commission felt hearings were required and people should be subpoenaed to attend hearings, that would be sufficient.

Mr. Lewis: That is not good enough.

Mr. Singer: That is the trouble.

Mr. Renwick: Mr. Speaker, by way of a supplementary question, will the Solicitor General specifically state now that it will be an inquiry under section 57 of the Police Act and that the Lieutenant Governor in Council will direct the commission to inquire into this matter and not leave it under the more nebulous and inadequate provisions of section 56?

Hon. Mr. Kerr: Mr. Speaker, in view of the nature of this inquiry and the events that have occurred that I feel require an inquiry, it is not the sort of judicial-type of inquiry, the formal type of inquiry—

Mr. Renwick: That is a technical point.

Mr. Singer: That should not be so. That is the whole point of it.

Hon. Mr. Kerr: —that is normally necessary when there are very complex issues to be decided and considered.

Mr. Renwick: Section 57 of the Police Act says that the Lieutenant Governor in Council may direct the commission to inquire into and report. Then it sets out in extension the provisions and provides for all the powers.

Hon. Mr. Kerr: He said that only after he had a report.

Mr. Lewis: The Solicitor General is having the police investigate the police and he is setting it up in advance. It is unacceptable.

Mr. Speaker: Order.

Hon. Mr. Kerr: Mr. Speaker, the particular section of the Act to be used for the inquiry hasn't been decided as yet. This is something I want to discuss with the members of the commission. It is possible that section 57 would be used.

Mr. Singer: Supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for Ottawa East was up previously on a supplementary.

Mr. Roy: Mr. Speaker, as a supplementary to the minister's statement, he mentioned that he had been misquoted. I would like to know pending this inquiry whether he is prepared to issue instructions or guidelines to police officers in relation to drug raids and, secondly, whether he is prepared to allow or to condone similar raids and similar searches, as he was quoted in the newspaper yesterday.

Hon. Mr. Kerr: No, Mr. Speaker, I wouldn't condone this type of a raid to this extent at all.

Mr. Singer: The Solicitor General did yesterday. Why did he change his mind?

Hon. Mr. Kerr: That's where I have been misinterpreted. Mr. Speaker, when you talk about a raid of this kind you talk about all the procedures and searches that were conducted as a result of that raid. I have never condoned the type of physical search that was conducted by the police on those premises.

Mr. Roy: What's on the front page of the Star then?

Mr. Singer: The minister said it was fine yesterday.

Hon. Mr. Kerr: Certainly, as a result of this inquiry, there would be guidelines laid down by the police commission.

Interjections by hon. members.

Mr. Speaker: The hon. member for Scarborough West.

Mr. Lewis: Mr. Speaker, I want to ask the Solicitor General from the length of time he allowed to lapse between the time of the raid and its coming to his attention and the institution of the inquiry, from his responses throughout the piece, notwithstanding what he has said today, and from his equivocation about whether or not it will be a public inquiry, does the minister not recognize that all of that is essentially an American view of law and order, not a Canadian view of law and order, and that it is time the minister recognizes as Solicitor General he has civil liberties to protect as well as the public to defend?

Mr. Speaker: Order.

Mr. Lewis: That is exactly what he has done.

Mr. Speaker: The hon. member for Downsview.

Does the minister wish to respond to that statement?

Hon. Mr. Kerr: I don't agree with the hon. member's statement at all.

Mr. Speaker: All right. The hon. member for Downsview.

Mr. J. F. Foulds (Port Arthur): The minister does not agree that he has civil rights to defend?

Mr. Singer: Can the minister possibly tell us how he can justify one paragraph of his statement today, that he realizes full well that the legality of the actions of the police is not an issue and that there is general acceptance the police acted within the law, when all of the people consulted and referred to by the media say there is grave doubt about it; when no less a person than Rt. Hon. John Diefenbaker says it is against the law; and when the minister himself knows there has to be reasonable cause and today complains there was a search of all the female customers of that establishment? How can he say that it is well known and generally accepted that the police actions were within the law?

Hon. Mr. Kerr: I am saying, Mr. Speaker, the raid was conducted within the provisions of the law under the Narcotics Control Act and any other statutes.

Mr. Singer: The minister didn't say "the raid"; he said "the legality of the actions of the police."

Mr. Speaker: Order.

Hon. Mr. Kerr: I'm saying as to the conducting of the raid. I wish the hon. member wouldn't take things out of context. I'm talking about the raid.

Mr. Singer: It says it right here in a paragraph.

Hon. Mr. Kerr: I'm talking about the fact that the police moved in and were there and announced that a search would be made of the premises and those people in there. That is within the law.

Interjections by hon. members.

Hon. Mr. Kerr: That provision is within the law.

Mr. Speaker: Order, please.

Hon. Mr. Kerr: Unfortunately, because of the broad section of section 10 of the Narcotics Control Act, it would appear there was nothing illegal about the search that was conducted.

Mr. Cassidy: But it was repellent to everyone in Ontario except the minister.

Hon. Mr. Kerr: Under the provisions of the law and the federal legislation that exists at the present time, it is not illegal.

Mr. Singer: It says it right here; separate paragraph.

Mr. Cassidy: But it was repellent to everyone in Ontario except the minister.

Mr. Lewis: It was wrong in every sense.

Hon. Mr. Kerr: Right, I'm not defending that law at all. I'm just making a statement that it wasn't illegal.

Mr. Lewis: It is grounds for resignation.

Mr. Singer: The minister should resign.

Mr. Lewis: These are grounds for resignation. It is not characteristic of the minister.

Mr. Speaker: Order.

Hon. Mr. Kerr: As far as Mr. Diefenbaker is concerned—

Interjections by hon. members.

Mr. Speaker: Order.

Hon. Mr. Kerr: —I would like to know what particular point he's made that said it was unconstitutional.

Interjections by hon. members.

Mr. Speaker: The hon. member for High Park.

Mr. Shulman: What was the reason given to the minister by the police for searching all the females—stripping all the females and not the males—and is this the normal pattern in these raids?

An hon. member: Who gave the authority?

Hon. Mr. Kerr: Mr. Speaker, the reason is —as I implied in the statement—because of the way that women can secrete drugs, it is necessary to have a complete examination. That was the reason given to me.

Mr. Shulman: But not the men.

Mr. Speaker: The hon. member for Kitchener.

Mr. Breithaupt: Supplementary, Mr. Speaker.

Mr. Lewis: If the minister's judgement is no better than his pronunciation, he is in trouble.

Mr. Speaker: Order.

Mr. Breithaupt: Since presumably the main drug concern of the Niagara regional police and other forces is with drug trafficking, and since possession is a relatively minor offence, will the minister investigate as part of this proposed study, just how much drugs and other items were to be expected to be found as a result of rectal and vaginal searches of young people?

Hon. Mr. Kerr: That, of course, would be part of the inquiry; that's the type of information we want to know.

Mr. Singer: Yes, but it is a secret inquiry.

Mr. Speaker: Order. There have been six supplementaries.

Mr. Shulman: He suggested there is a difference between the female rectum and the male rectum—and I would like to know what the difference is?

Mr. Renwick: By way of supplementary.

Mr. Speaker: I have not recognized the hon. member for Riverdale. I said there were

six supplementaries in addition to the original question. The standing orders clearly indicate it is up to the Speaker to determine when a reasonable number of supplementaries has been asked. In my opinion, there has been a reasonable number of supplementaries.

Mr. Lewis: But it is an important question, and there have been six preposterous answers.

Mr. Speaker: The hon. member for Kitchener.

Mr. Breithaupt: Mr. Speaker, on a point of order: There were two particularly important statements which have been made today; one by the Solicitor General and the other by the Minister of Transportation and Communications.

Now, the latter minister apparently is elsewhere and is not available to answer questions in that important area. One would hope, therefore, that more questions could be placed in the area under the statement of the Solicitor General, since I think none of the other ministers has matters of as great importance as the ones which have been raised by the Solicitor General. I would ask the Speaker to reconsider that, so that further questions could be answered?

Mr. Speaker: There is nothing in the standing orders at all to indicate that any one minister must be present. If two ministers have made statements, and since there are occasions upon which a minister must absent himself from the House, that is no reason at all for the Speaker to indicate that further questions may be asked of the other minister who made a statement. I indicated to the House that, in accordance with the standing orders, a reasonable number of supplementaries had been asked. I reiterate that ruling; the hon. member for Kitchener may ask a new question.

Mr. Deans: And there are 17 ministers absent.

Mr. Roy: Boy, is the minister happy? Saved by the bell.

Mr. Speaker: The hon. member for Scarborough West.

Mr. Singer: The legality is not in question.

Mr. Speaker: The hon. member for Scarborough West may ask questions.

DEMOLITION LEGISLATION

Mr. Lewis: A question of the provincial Treasurer: Where is the demolition permit legislation which was promised to the House by his colleague, who works within the Treasurer's general ambit?

Hon. Mr. White: Mr. Speaker, the cabinet considered this legislation yesterday. They have directed my colleague, the Minister without Portfolio (Mr. Irvine), and me to refine certain aspects of it. My colleague is meeting the mayor of Toronto later today and we would hope to introduce the bill next week.

Mr. Speaker: The hon. member for Scarborough West.

NANTICOKE COMMUNITY DEVELOPMENT

Mr. Lewis: A question, again, if I may, of the provincial Treasurer, relating to the new town at Nanticoke. Are the developers from whom he bought the land involved in the actual development of the townsite itself? Is that something which has been established in advance?

Hon. Mr. White: No, on the contrary, Mr. Speaker, there is a clear understanding in contractual form that they will not be involved within two miles of the townsite.

Mr. Lewis: Will they be called upon to develop any aspect of the townsite?

Hon. Mr. White: Mr. Speaker, I wouldn't expect that to be done by the Ontario Land Corp. I would expect the Ontario Land Corp. to call tenders on every aspect of the development.

Mr. Lewis: On tenders? Could the Treasurer table the contract?

Hon. Mr. White: I'd be glad to.

Mr. Lewis: Thank you.

Mr. Speaker: Supplementary?

Mr. D. M. Deacon (York Centre): A supplementary: Did the minister's decision to deal with these land speculators take into consideration the fact that the land on which they had options was the best agricultural land in the area, and not the worst?

Hon. Mr. White: Well, in fact, that is a misstatement, as the hon. member's leader (Mr. R. F. Nixon) will know. It's not the best land at all. There is no class I land involved. The London Free Press made it clear in an editorial last Saturday—

Mr. Roy: Did they talk about the Treasurer?

Hon. Mr. White: —that while this was arable land, it was not the best land. And if the hon. member for York Centre has criticisms to make about this deal, why doesn't he speak to his leader, who was the big push behind this and who was trying to shove us into this deal at much higher prices?

Mr. Deacon: He wasn't.

Mr. Breithaupt: The government is the one that has blundered.

Interjections by hon. members.

Mr. Deacon: Perhaps the minister will read the statements that have been made repeatedly by my leader, that the development of the—

Mr. Speaker: Is there a question here?

Mr. Deacon: Yes.

An hon. member: We are getting there.

Mr. Deacon: I have asked—

Mr. Speaker: Perhaps the hon. member will say, "will the minister read them"?

Mr. Deacon: Right. Will the minister read the statements made by my leader, that indeed such a development is not needed and that existing communities could take care of the growth required for some time to come?

Hon. Mr. Stewart: That's wasn't what he said in the House a little while ago.

Hon. Mr. White: Let me, Mr. Speaker, undertake now to get extracts from Hansard and the public prints, showing just how enthusiastic the Liberal leader was in this regard. And let me observe, before I sit down, that the hon. member asks this kind of question only when his leader is away.

Mr. Speaker: The hon. member for Scarborough West.

Mr. Lewis: Look what the Minister of Energy (Mr. McKeough) does when the Premier is away.

Interjections by hon. members.

Mr. Lewis: Ambition dies hard in this House, Mr. Speaker!

Interjections by hon. members.

Mr. Lewis: That's why I'm always here.

Interjections by hon. members.

TORONTO ISLAND AIRPORT

Mr. Lewis: May I ask the Minister of Transportation and Communications—

Interjection by an hon. member.

Mr. Lewis: Let me suggest, if I may, Mr. Speaker, that if the member for Kitchener wants to open up this subject, he should, because I know he had intended to, and then you would allow a flow of supplementaries on the minister's statement today.

Mr. Speaker: Well, I think that is very considerate of the hon. member. If the hon. member for Kitchener would like to do that, I'll permit it.

Hon. Mr. Grossman: Those fellows are in love again.

Mr. Breithaupt: Perhaps I'll start off at this point, Mr. Speaker, and ask what possible justification the minister can offer us as to the reason why doctored minutes of these various committee meetings were given, not only to our research office and other persons who had asked them, but apparently as well to at least two members of the committee itself, the two Toronto aldermen, Don Heap and Dorothy Thomas. And why were the complaints and reservations and comments, especially those made by Ald. Heap, edited from the summary of the minutes?

Hon. Mr. Rhodes: Mr. Speaker, first I would like to apologize to the hon. member for not being in my seat when obviously he wanted to ask that question. I was called from the House on an important matter. I do apologize, and I am pleased that he was given this courtesy.

Mr. Breithaupt: I appreciate the minister's too.

Mr. Cassidy: He has met the press now.

Hon. Mr. Rhodes: Now to answer the question—I do hope that I won't be interrupted any more by the member for Toronto Island until it's his turn.

Hon. Mr. Grossman: He is not the member for Toronto Island. He is just somebody we have to contend with down there. He is making it difficult for the island.

Hon. Mr. Rhodes: Mr. Speaker, as I understand the minutes, and I really won't accept that they are doctored minutes—

Mr. Cassidy: The government doesn't have to extend the airport there to get rid of me.

Hon. Mr. Rhodes: I have not received even the so-called adjusted minutes that he referred to. I am not a member of that committee and I have not received them. The minutes, as I understand it, were prepared in a simple form and a short form in order to get the pertinent information to the members of the committee and to those who have indicated interest.

Mr. Roy: Do away with the criticism.

Interjection by an hon. member.

Hon. Mr. Rhodes: I have stated already in my statement that the complete minutes will be made available—I don't have the right to say that but I will certainly suggest to the committee that the complete minutes be made available to those who wish them.

Mr. P. G. Givens (York-Forest Hill): A supplementary?

Mr. Speaker: The hon. member for Scarborough West has a supplementary.

Mr. Lewis: Good gracious, I have, but there is a limit.

I would like to ask the minister, in view of his continued denial of motives on the part of the Province of Ontario on the establishment of yet a second airport on the island, how is it that the one document which deals with that in explicit terms comes from Mr. McCartney, the project manager, general aviation, of the Ministry of Transportation and Communications, who deals with the east headlands as an additional site, not an alternative site, in precisely the fashion which the minister indicated in his statement was beyond the terms of reference of the committee?

Hon. Mr. Rhodes: Mr. Speaker, the gentleman mentioned has been giving technical advice to the committee.

Mr. Lewis: He is giving the Ontario view.

Interjection by an hon. member.

Hon. Mr. Rhodes: He provided this particular working paper to the committee for its consideration. It is not a final position. It is not the position of the ministry or of the government. It is a report prepared by him for the use of the committee as an internal working document for the committee to work with. The options are in there; so is the history of the particular project going back to when it was first talked about. It is a detailed report and working paper to be used by the committee.

I emphasize to you, sir, and to all the members of this House, there is no decision of any kind concerning the use of Toronto Island or the east headland for airports; none of these options has been discussed by government. It has been done entirely by that committee, associated members thereto and technical staff assigned by the various bodies represented on the committee.

Mr. Givens: A supplementary.

Mr. Speaker: The hon. member for York-Forest Hill.

Mr. Givens: In view of all the public controversy wouldn't it serve the public interest better if, rather than tabling the minutes which are really a regurgitation of what took place at the meeting of the committee—whether they be doctored or undoctored—the minister would table all the reports placed before the committee, particularly the one by the aviation planning services and the other by Mr. McCartney of the ministry, so this assembly can determine what is going on before this committee?

Hon. Mr. Rhodes: Mr. Speaker, it is not my committee nor is it a committee of the ministry. As I indicated in the statement, it is a committee made up of representatives of various bodies, political and otherwise, here in the metropolitan area including the federal government as well as the Ministry of Transportation and Communications.

I have already stated, in the closing paragraph of my statement, that when the final report is prepared—and I can only say that because that is when it will come to me—I would be prepared and am prepared to table that report plus any other pertinent information gathered in the development of the report. I don't think, sir, that I should be tabling before you at this time, material which belongs to that committee.

Mr. Givens: But this committee was called together under the minister's aegis. He is the dominant factor in this committee, isn't he?

Mr. Speaker: The hon. member for Scarborough West with a supplementary.

Mr. Lewis: One last supplementary to the minister. Why does the minister not make a categorical statement in the House now that he will not permit or contemplate, at present or in the future, an additional airport on Toronto Island? We have Malton, Pickering, Buttonville and the airport already there; to add yet another would be madness and would distort the Toronto-centred region

plan anyway because of its concentration in the city of Toronto area.

Hon. Mr. Rhodes: Mr. Speaker, I wouldn't do that for a very obvious reason.

Mr. Lewis: Why?

Hon. Mr. Rhodes: If I did that, it would be members opposite who would leap to their feet and immediately accuse us of taking away from the local people any opportunity to consider all of the factors.

Hon. Mr. Grossman: Of course they would.

Mr. Lewis: No, the minister would have some transportation policy if he did that. If that is the only reason, let him try it and see our response.

Interjections by hon. members.

Hon. Mr. Rhodes: At this stage in the game I don't know what to expect but I can say to the members that I will not make that statement at this time.

Mr. Lewis: Well the minister should. That is what makes us suspicious.

Hon. Mr. Rhodes: When that report is completed, surely to goodness this House would want to have all of the possibilities investigated?

Mr. Lewis: No, I am not interested in a second airport at all; not at all.

Hon. Mr. Grossman: The member may not be.

Interjections by hon. members.

Mr. Lewis: No one is interested except the businessmen of downtown Toronto and that ministry.

Mr. Speaker: Order. The hon. member for Waterloo.

Mr. Good: This is a new question, Mr. Speaker.

Interjections by hon. members.

Mr. Good: Isn't the NDP leader ready yet?

Mr. Speaker: Has the hon. member for Scarborough West no further questions?

Mr. Lewis: No, Mr. Speaker.

Mr. Speaker: All right. The hon. Minister of Energy has the answer to a question asked previously.

HYDRO HEADQUARTERS CATERING CONTRACT

Hon. W. D. McKeough (Minister of Energy): Mr. Speaker, on Friday morning the hon. member for Kitchener asked a three-point question relating to the catering contract for the new Hydro building. The question was directed to the Premier (Mr. Davis) but I will answer it.

The first part of the question was as follows:

> Can the Premier advise why the catering contract for the new Ontario Hydro headquarters has apparently been awarded to Malloney's without any tenders being called?

It is my understanding, Mr. Speaker, that Hydro's contract with Canada Square left the renting of all the commercial space to Canada Square. Accordingly, Canada Square entered into a contract with the Egans for, I think, 28,000 sq ft. Hydro got a percentage of the excess revenue over a base amount. It was Hydro's original intention that the coffee service on its 19 floors would be separate from any catering arrangement or any restaurant arrangement which was entered into in the commercial space. Canada Square, as it was required to, came to Hydro to get consent to enter into a lease with the Egans and the Egans at that time proposed an integrated food service in the entire building.

After investigation by Hydro, both internally and using the advice of a knowledgeable outside consultant, Hydro concluded that an integrated service made sense, both in terms of the food service itself and in terms of the financial gain to Ontario Hydro.

Hydro retains direct control over the extent, quality and performance of the really very limited vending service which is required on its office floors.

The second part of the question was:

> Can the Premier explain why the CNIB, which is Hydro's caterer in its present headquarters, was not asked to compete for the new contract and apparently has not even been made aware that the new contract has ben awarded?

I think I have answered the question in terms of the commercial restaurant facility arrangement between the Egans and Canada Square.

It is planned to continue with the service of the CNIB in Hydro's Murray St. building. There are five or six employees at 620 University Ave., from the CNIB. It should be borne in mind that there will be no change

in their status for well over a year. CNIB has informed us that there will be no problem placing these people elsewhere in Metro and, in any case, Hydro is taking steps to ensure that employment opportunities are offered to the CNIB employees, five or six in number, in other places somewhere in the Metro area. Just where, at this moment, we are not sure.

The third part of the question was:

> Can the Premier advise if this is the same Malloney's that operates the Edelweiss restaurant at Ontario Place?

I am informed, Mr. Speaker, that the Egan brothers originally operated that restaurant at Ontario Place, but this facility was sold some time in 1973 and is not now operated by the Egan brothers.

Mr. Speaker: The hon. Minister of Education has the answer to a question asked previously.

WITHDRAWAL OF TEACHERS' SERVICES

Hon. T. L. Wells (Minister of Education): Mr. Speaker, a few days ago the hon. member for Port Arthur asked the Premier a question concerning the teachers' dispute in York county, and he asked whether the Minister of Education was considering extending the date for the submission of resignations by the teachers in York county.

Mr. Speaker, the answer to that is no, I am not considering extending the date for those teachers.

Mr. Deacon: A supplementary: Since that bill imposed arbitration on them and since they are a special case in that regard, and since, in 1968, when the Premier was then Minister of Education he did extend the date in the case of Toronto resignations that were affecting the Metro board, why would the minister not consider extending the date of resignation?

Hon. Mr. Wells: Mr. Speaker, we considered this very carefully. The incident in 1968 that the member mentions was quite different and, as I am sure he is well aware, there is a provision for resignations by mutual consent presently in the contract, and I think the interests of all are best served by leaving the present contract and its conditions in force as they are.

Mr. Deacon: A further supplementary: Would the minister not agree that under normal circumstances, the teachers would know what salaries they would be faced with for the coming year and this way they don't? Normally they would have the right to resign before May 31, knowing what their conditions of work would be the next year. In this case they don't.

Hon. Mr. Wells: I might point out to my friend that at this time last year the contracts which were to be in force and under which those teachers would start working last September were still being negotiated. They did not know what the conditions of employment would be at that time.

Mr. Deacon: Yes, but they were not being forced, under arbitration.

Mr. Speaker: Has the hon. member for Waterloo North a new question?

ASSISTANCE FOR FLOOD VICTIMS

Mr. Good: A question of the Provincial Secretary for Resources Development.

Mr. Roy: Does the minister know who that is?

Mr. Good: Now that the citizens' committees have been set up to raise money for flood relief in the Waterloo region and the payment of claims, could the minister inform the House what vehicle is going to be used for examining the circumstances of the flooding in the Waterloo regional area? Would it be the ministry or an independent body?

Hon. Mr. Grossman: While this is being administered by the Ministry of Treasury, Economics and Intergovernmental Affairs, under whose aegis the legislation is in effect, I would give a general answer that it is the community, the municipality, which sets up the organization and—

Mr. Good: The minister has missed my question.

Hon. Mr. Grossman: Pardon?

Mr. Good: Mr. Speaker, I think the minister misunderstood. The Minister of Natural Resources said that he would, some time in the future, indicate who would be investigating the circumstances surrounding the actual flooding conditions. What is the body that has been promised to investigate those circumstances?

Hon. Mr. Grossman: That should be directed to the Minister of Natural Resources. He's the one who is setting it up.

Mr. Roy: Is he here?

Mr. Good: It is a matter of government policy, Mr. Speaker, and since the minister is not here, I thought the provincial secretary would know. Might I ask a supplementary?

Would the minister seriously consider the suggestion made by many people in the area —including the chairman of the Grand River Conservation Authority and the regional chairman, as well as me—that there should be an agency established which could deal with it and which would give opportunity for public representation and the gathering of public information when the circumstances surrounding the flooding are being investigated?

Hon. Mr. Grossman: Mr. Speaker, in the first place, there is no question at all as to whether I knew what the policy was. It was expounded by the Minister of Natural Resources on the floor of this Legislature. He said he would set up a committee. The question of whether it would be a public investigation was asked at that time and answered by my colleague, the minister. If the hon. member is suggesting that—

Mr. Roy: Where did he go? Where is he today?

Mr. Good: He didn't know then.

Hon. Mr. Grossman: He gave the answer at that time. Whatever answer he gave is what applies.

Mr. Roy: He didn't know.

Mr. Good: He said he hadn't decided yet.

Hon. Mr. Grossman: When the hon. minister decides, he will, I'm sure, make a public statement to that effect.

Mr. Good: Surely that's a policy decision?

Hon. Mr. Grossman: The hon. member may be surprised, Mr. Speaker, but we don't get together four times a day so that I can find out what he's done in the last hour.

Mr. Reid: They don't get together at all!

Hon. Mr. Grossman: Indeed, it's not my business to find out what he's doing every day. That's his business.

Mr. Reid: What is the minister's business? That's what we'd like to know.

Mr. Speaker: Order.

Hon. Mr. Grossman: He has his ministry and he's looking after it very well. I would suggest the hon. member ask the Minister of Natural Resources to give him a reply to that question.

Mr. Good: We would, but he's not here.

Hon. Mr. Grossman: All right. I'll make sure that the hon. minister has been made aware of the question the hon. member has asked.

Mr. Breithaupt: A supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for Kitchener.

Mr. Breithaupt: Following the statement which the minister made concerning the funding being arranged for the communities and persons harmed in the most recent flood, can the minister advise us what response he has received from the federal authorities to his request that an additional dollar be added to match the provincial dollar of contribution so that, hopefully, the amount which would otherwise be raised within the community could be tripled?

Hon. Mr. Grossman: Mr. Speaker, I have had no reply from the federal authorities unless, of course, my colleague, the Treasurer, has had a reply. I know he has written them as well.

Mr. Good: Has the minister asked?

Mr. R. F. Ruston (Essex-Kent): He didn't speak to them down there.

Mr. Speaker: A supplementary? Yes, the hon. member for Windsor-Walkerville with a supplementary.

Mr. B. Newman (Windsor-Walkerville): Thank you, Mr. Speaker. Is the ministry considering a flood insurance scheme in cooperation or in conjunction with the federal government, so that in such future disasters there would be at least insurance available for those who might be adversely affected?

Mr. Roy: Does he know anything about insurance?

Hon. Mr. Grossman: Mr. Speaker, the matter of flood insurance has been under consideration by the government for some time and as a matter of fact we're hoping we will be in a position to make a statement on a specific action which we have decided upon in the immediate future. As a matter of fact there is some concern as to whether this

thing is possible and whether it could be helpful in a situation which arose a couple of weeks ago, but it is under consideration by the government.

Mr. Speaker: The hon. member for Wentworth.

HAMILTON TEACHERS' COLLEGE

Mr. Deans: Thank you, Mr. Speaker, a question of the Minister of Education: Is it true that the minister and his ministry have decided to close the Hamilton Teachers' College and to locate the teaching facility in the Brock University?

Hon. Mr. Wells: Mr. Speaker, it is not true.

Mr. Deans: A supplementary question: Is it then fair to assume that Hamilton Teachers' College will not be closed?

Hon. Mr. Wells: No, Mr. Speaker. We will have a statement on that in a week or so.

Mr. Cassidy: It is always in a week or so.

Mr. Speaker: Before I call on the hon. member for Downsview, the provincial Treasurer has the answer to a question. Then the hon. member for Downsview.

Hon. Mr. White: More good news, Mr. Speaker—

Mr. Deans: Here is the legislative crier.

Hon. Mr. White: —on how we saved the Ontario taxpayer more than $8 million by investing cash reserves wisely.

Mr. Cassidy: The Treasurer borrowed $1 million from Hydro this week, you know, Mr. Speaker.

ONTARIO INVESTMENTS IN U.S.

Hon. Mr. White: Mr. Speaker, last week the member for High Park asked me about our investment in US dollar time deposits, and I stated that I would give a report of our activities in this area.

Investment in US dollar deposits has been an essential part of our overall programme for the investment of our cash reserves, and we have confined our current US dollar activity to investments in fully hedged deposits with Canadian banks in Toronto. As the members know, the hedging of these investments by contracting for the sale of the eventual proceeds at an agreed price when we originally arrange the deposits, protects us against any fluctuations in the value of the US dollar so that they are, for practical purposes, the same as Canadian dollar deposits.

But US dollar deposits have over the years offered a better return. For instance, if we had invested in traditional domestic instruments at prevailing interest rates, we estimate the province would have earned interest income totalling about $255 million on its time deposits during the past six years.

The actual interest earned on the province's time deposits during this period was $298 million. The $43 million difference is due to the decision to invest in US dollar time deposits with Canadian banks.

Let me give you an example, Mr. Speaker. On May 7, Ontario made a 56-day hedged US dollar deposit of $10 million. In round figures, the interest earnings on this deposit will be $184,000. If we had made an equivalent domestic deposit our interest would have been $130,000, almost one-third less.

I want to deal now with the second point raised by the member for High Park on the basis of observations in the Provincial Auditor's report.

In 1968, Ontario was attracted by the higher interest rates, sometimes exceeding one percentage point higher being offered by Canadian banks on US dollar time deposits. At that time the value of the dollar was fixed at 92.5 cents US. Since fluctuations of the dollar were minimal, there was no hedge undertaken against currency changes.

An hon. member: Is this a ministerial statement?

Hon. Mr. White: By May, 1970, Ontario had unhedged US dollar time deposits of $647 million. Very few investors anticipated the upward pressure which developed on the Canadian dollar in the year 1970. By mid-year these pressures were so intense that in spite of the purchase of $1 billion of foreign exchange reserves, Ottawa was forced to abandon the fixed exchange rate and the Canadian dollar began to appreciate rapidly. Although the province could have minimized its foreign exchange costs by the purchase of Canadian dollars in mid-1970, such action would have been highly irresponsible as this large transfer would surely have created extreme difficulties for Canada in the foreign exchange market.

The decision was made to remain in an unhedged US dollar position and to unwind that position under a programme of orderly conversion to Canadian dollars as the Canadian dollar stabilized. Under this programme we have reduced our unhedged US deposits

to $205 million, and we will be concerting this balance at an appropriate time.

Mr. Speaker, our unwillingness to create severe difficulties in the summer of 1970 obliged us to remain in an unhedged position during the appreciation of the Canadian dollar in the latter part of that year. The exchange costs associated with this decision —$34.6 million on the assets converted to date—offsets but does not eliminate the estimated $43 million in increased interest earnings attributable to the province's decision to maintain a diversified portfolio. The balance, incidentally, works out to $8.4 million which is our net profit, so to speak, on these investments.

Mr. Speaker, it has been necessary to go into considerable detail in the answer but I was anxious to give the House as full an explanation as possible of this important aspect of Ontario's investment programme.

Mr. Roy: Couldn't he make a statement?

Mr. Shulman: A supplementary, Mr. Speaker.

Mr. Speaker: I might say that the answer to the question took a longer than normal time, and has constituted a statement by the ministry and is in excess of the usual time. I will, therefore, in fairness, extend the question period by two minutes.

An hon. member: Thank you Mr. Speaker.

Mr. Speaker: The hon. member for High Park has a supplementary?

Mr. Shulman: How much does this province have in unhedged foreign time deposits at the present time?

Hon. Mr. White: It has $205 million.

Mr. Shulman: A further supplementary: How did the minister happen to forget that in his statement?

Hon. Mr. White: I didn't forget it Mr. Speaker.

Mr. Shulman: The minister missed a page or two.

Hon. Mr. White: As I said: "under this programme we have reduced our unhedged US time deposits to $205 million".

Mr. Shulman: I beg your pardon. How many unhedged foreign—I didn't say US—time deposits have been placed in the last 12 months?

Hon. Mr. White: We've reduced this amount in the last 18 months, or thereabouts, from—

Mr. Shulman: How many new ones has the minister placed?

Hon. Mr. White: None to my knowledge.

Mr. Shulman: None?

Hon. Mr. White: None to my knowledge.

Mr. Speaker: The hon. member for Downsview.

Mr. Shulman: To the minister's knowledge?

Hon. Mr. White: None to my knowledge. If I am mistaken—

Mr. Shulman: Better check.

SPECULATIVE LAND TAX

Mr. Singer: Mr. Speaker, I have a question of the Treasurer. A remark is attributed to the Treasurer in Wednesday's Star to the effect—

Mr. Speaker: I'm sure there is an interrogation coming?

Mr. Singer: Yes. It was to the effect that Mr. Stanfield "will do that for us." That means that Mr. Stanfield, if he gets to be Prime Miinster, would allow the deduction of—

Hon. Mr. McKeough: What's the question?

Mr. Singer: —the land speculation tax from the federal taxes. Does the minister have any commitment from Mr. Stanfield to this effect, or is this just the minister's guess?

Hon. Mr. White: Sir, the Progressive Conservative Party of Canada is in full accord with the need for decentralization—

Mr. Roy: Watch it on CBC.

Hon. Mr. White: —and is in full accord with the need to provide the provinces with additional resources for that purpose.

Mr. Singer: Yes.

Hon. Mr. White: So one can contrast this with the remarks of the federal Minister of Finance—

Mr. Singer: Did the minister get a commitment from Stanfield? Did he get a commitment?

Hon. Mr. White: —and I'll quote now, from yesterday's Star.

Mr. Singer: Yes, same article. Did the minister get a commitment, though?

Hon. Mr. White: I quote: "Finance Minister John Turner said in a telephone interview yesterday"—

Mr. Singer: Why doesn't the minister answer the question?

Hon. Mr. White: —"the province has no reason to assume the federal government will allow it to intrude"—and so forth.

Mr. Singer: Why doesn't the minister answer the question? Did he get a commitment from Stanfield?

Hon. Mr. White: One has the absurd combination of federal policy—

Mr. Singer: Did the minister get a commitment?

Hon. Mr. White: —to do nothing themselves about inflation and, secondly, to try to prevent the provinces from doing anything about inflation.

Mr. Singer: Did the minister get a commitment?

Mr. Lewis: Is the minister going into federal politics?

Hon. Mr. White: Never. Not ever.

Mr. Singer: Did the minister get a commitment?

Hon. Mr. White: The federal government decided several years ago to vacate, and leave for the provinces, resource industry revenue.

Mr. Singer: Did the minister get a commitment from Stanfield?

Hon. Mr. White: I can hardly believe that even the Liberals, were they re-elected, which is unlikely to the point of impossibility—

Mr. Singer: Did the minister get a commitment?

Mr. Reid: Would the minister like to make a small wager about that?

Interjection by an hon. member.

Mr. Singer: Did the minister get a commitment?

Hon. Mr. White: And I am perfectly sure that the government—

Interjections by hon. members.

Mr. Lewis: Well this bill should be withdrawn now.

Hon. Mr. White: Oh, the member for Scarborough West shouldn't put himself in league with the speculators.

Mr. Lewis: Not at all. The government should not be pursuing a bill where they have no guarantee. They are in chaos on this bill.

Hon. Mr. White: I am perfectly sure we will be discussing this and other matters with Mr. Stanfield, hopefully, in the middle of June.

Mr. Singer: Did the minister get a commitment?

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Singer: The minister still didn't answer the question.

Mr. Lewis: It would make a good Provincial Affairs programme.

Interjections by hon. members.

Mr. Singer: A supplementary: Did the minister get a commitment from Mr. Stanfield?

Mr. Speaker: The member is asking the same question. The hon. member for High Park.

An hon. member: It wasn't answered.

An hon. member: The minister can't answer it.

Mr. Shulman: Is the minister seriously suggesting that imposing this, or any other tax, will stop inflation?

Hon. Mr. White: Is the hon. member seriously purporting to be an economist?

Mr. Shulman: I can do better than the minister is doing.

Interjections by hon. members.

Mr. Speaker: The hon. member for Ottawa East.

Mr. Lewis: How much time is left, Mr. Speaker?

Mr. Speaker: There are exactly seven minutes left.

Mr. Lewis: A supplementary on this question.

Mr. Speaker: The hon. member for Scarborough West, a supplementary.

Mr. Lewis: Since the evidence is mounting that the present government and the senior civil service will not allow its speculative land tax to be deductible, based on a differing intepretation of jurisdiction relating more to capital gains than to those areas this government has discussed, how can the minister continue to bring this legislation to the floor of the House, presumably pass it, and allow the market to work under the wrong comprehension of what will occur, thus throwing everything into a shambles several months from now—as well as now?

Hon. Mr. White: Mr. Speaker, this form of tax in other resource areas has not been considered as income tax for federal income tax purposes, and I have no reason to think that this will be the case some weeks hence, whether or not Mr. Stanfield leads the government. I am not going to let bad-tempered mutterings—

Mr. Lewis: But the Treasurer knows it is improbable.

Interjections by hon. members.

Mr. Singer: Can he prove they won't do otherwise?

Hon. Mr. White: —bad-tempered mutterings relayed via the Toronto Star deter us from a very strong measure to deal with inflation in this province.

Mr. Singer: Oh, the Toronto Star again.

Mr. Breithaupt: A suspicious source!

Mr. Lewis: Well, well, if it's in the Toronto Star—

Hon. Mr. White: And if it should happen at some future date—

Mr. Lewis: Talk about bad temper!

Hon. Mr. White: —that the federal government does take us into—

Interjection by an hon. member.

Hon. Mr. White: —the constitutional courts on the matter then we'll fight it every inch of the way.

Mr. Lewis: Oh, ho, ho. It's their jurisdiction.

An hon. member: Settle down and shut up.

Mr. Speaker: The member for Ottawa East.

MINIMUM WAGE RATES

Mr. Roy: Mr. Speaker, in the absence of the Minister of Labour (Mr. Guindon) and the Provincial Secretary for Social Development (Mrs. Birch) and the Premier, I will ask a question of the Treasurer—

Interjections by hon. members.

An hon. member: Quite a few missing today.

Mr. Roy: —and it deals with the minimum wage in this province.

As a senior minister, doesn't he find it embarrassing that he will have people working in this province for an hourly wage which is going to be less than that received by inmates in federal institutions who are going to be receiving the federal minimum wage? How can he tolerate that in this province?

Mr. Lewis: Less than Manitoba, less than British Columbia.

Hon. Mr. White: Well, sir, our unemployment rate here is something like 3.8 per cent—I am sorry, I can't bring the exact figure to mind—

Mr. Lewis: That's right.

Hon. Mr. White: —and I think the question might be rephrased. Does a person in the Maritimes or in certain of the western provinces, where unemployment ranges up to 27 per cent, have to go to jail to get a decent living from the federal government? Now, that's the question.

Interjections by hon. members.

An hon. member: He's got to be kidding!

Mr. Roy: A supplementary, Mr. Speaker.

Interjections by hon. members.

Mr. Breithaupt: He is going to run federally.

Mr. Roy: Does the Treasurer intend to raise the minimum wage in this province and not allow a situation where in fact, hard-working, honest, law-abiding citizens in this province will be making $2 per hour—

An hon. member: Let them try working a little harder.

Mr. Roy: —while inmates in federal institutions will be making $2.20 an hour. How can he tolerate that in the richest province in this country?

An hon. member: Is there any place you'd rather be?

Hon. Mr. White: Yes, apparently the unemployment rate is 3.6 per cent, as I had stated.

Mr. Roy: Just answer my question. How can honest people be blamed?

Hon. Mr. White: The minimum wage, sir, is under consideration by the government. I expect the Minister of Labour will be referring to this within a week.

Mr. Good: We haven't a Minister of Labour.

An hon. member: There is not a minister in here.

Mr. Breithaupt: Which minister?

Hon. Mr. White: But I repeat my difficulty. Here you have 27 per cent unemployed in Newfoundland—27 per cent—

Mr. Breithaupt: They have a Conservative government, no wonder!

Interjections by hon. members.

Mr. Roy: It's a Conservative government!

Interjections by hon. members.

Hon. Mr. White: —because of inappropriate government policies—27 people out of 100.

Interjections by hon. members.

Hon. Mr. White: Do the people in Newfoundland have to go to jail to get a decent living because of these misguided, out-of-date federal policies?

Mr. Breithaupt: Or because they have got a Conservative government. It is as good a reason as any.

Mr. Roy: Yes, yes, it's a provincial responsibility.

Interjections by hon. members.

Mr. Roy: It's going to pay you to go to jail in this province, if this government keeps it up.

Hon. Mr. White: It doesn't pay you to here.

Mr. Lewis: The Treasurer can't save Bob Stanfield's job.

Mr. Speaker: The hon. member for Sudbury.

INVESTMENT OF OMERS FUNDS

Mr. M. C. Germa (Sudbury): Mr. Speaker, a question of the provincial Treasurer. With reference to his budgetary statement that 20 per cent of OMERS funds would be available for municipal borrowing, can he assure the House that the rate paid will be at least that of the provincial average for the respective year?

Hon. Mr. White: Absolutely not! Does the member mean to say that I am called upon to guarantee those funds that OMERS invests in municipal or industrial bonds? Not very likely. That's the chance they take.

And incidentally, when the Hospitals of Ontario Pension Plan was let loose, their earnings fell from something like eight per cent to something like two per cent.

Mr. Germa: Mr. Speaker, on a point of clarification, is he saying the OMERS board now has freedom to invest in any area of the market as they see fit?

Hon. Mr. White: My hon. friend must know better than that. I did say that next year they are going to be permitted to invest 20 per cent of their total inflow of cash for that year in debentures other than Ontario debentures.

When they have this investment facility in place we'll see what the experience is; we'll see whether that can be increased. I've got a meeting coming up very shortly with OMERS—as a matter of fact, it's on Thursday, June 20—to discuss this and related matters.

Mr. Speaker: The hon. member for Windsor-Walkerville.

EXTENSION OF OMERS BENEFITS

Mr. B. Newman: Mr. Speaker, I wanted to ask a question of the provincial Treasurer dealing with OMERS also.

Is the ministry considering extending the pension benefits under the OMERS scheme so that elected officials, other than councillors—that is, officials of utilities commissions and school boards—could have the benefits of the OMERS scheme?

Hon. Mr. White: Well, this has been mentioned to me. I don't know what stage it is at. I would not be opposed to that, I don't think, but it is at an early stage of consideration.

Mr. Speaker: The hon. member for St. George.

TORONTO ISLAND AIRPORT

Mrs. Campbell: Mr. Speaker, my question is of the Minister of Transportation and Communications. In view of the statement he made referring to the minutes, is the minister aware of the fact that the committee had taken the position that the interested persons would have the minutes, not a summary, and that in fact a letter from Mr. Johnson, your chairman of your committee, sent to Ald. Eggleton, under date of May 17, 1974—when he denied him too, the right to have an observer present—advised that copies of the minutes would be available?

In view of the statement made by the minister, in which he said it was not a provincial matter, is he aware of the statement in the proper minutes that MTC's participation in the north was ongoing—

Mr. R. G. Hodgson: Is this a speech or a question?

Mrs. Campbell: —but that in the future they would be involved in southern Ontario? Would the minister explain that position?

Hon. Mr. Rhodes: Mr. Speaker, I am not aware of what goes on in that committee. I would like to make it clear again that I am not a member of that committee, that the committee is not my committee and that the chairman of the committee is not my chairman. I'll leave it at that.

I haven't seen the minutes that the hon. member is referring to, but I do know that there has been consideration given by the government to attempt to develop in southern Ontario, an air service similar to the type that has worked so effectively in the northeast and in the northwest. There have been requests from municipalities that are not served at present by the other ordinary carriers, to give consideration to including them in any such service.

I point out to the hon. member that there has been no budgetary allowance made for that programme in southern Ontario at this time. But in keeping with the requests that have been made to the ministry, we feel there is a responsibility to look into the possibility of that developing. Whether or not that would mean it would have to include an airport on Toronto Island, I am not prepared to say. In fact, I would go back to the question asked of me by the hon. leader of the New Democratic Party, and say that as far as I am concerned, I personally wouldn't be prepared to recommend or even look at another airport on Toronto Island. But I again point out it is a matter that will be discussed with—

Mr. Lewis: Say that again. Say that again!

Hon. Mr. Rhodes: I would say, as a personal opinion, that I wouldn't be prepared to recommend another airport on Toronto Island.

Mr. Lewis: Now that is what the minister should be saying! He should have been saying that 72 hours ago.

Hon. Mr. Rhodes: What I am saying is that this is a federal matter and that we are involved, as a part of this committee, to gather information.

Mr. Cassidy: Oh, come on.

Hon. Mr. Rhodes: The very report that was being referred to, the working paper, is a summary of what has gone on for the past 10 years—

Mrs. Campbell: How does the minister know?

Mr. Rhodes: —and the particular options have evolved out of that information, gathered over the last 10 years. I am amazed that the hon. member for St. George, who is so intimately involved in this community, is not aware of these past studies.

Mrs. Campbell: A supplementary, Mr. Speaker—

Mr. Speaker: I regret to say that we have exceeded the question period by five minutes now.

Petitions.

Presenting reports.

Motions.

Introduction of bills.

EDUCATION ACT

Hon. Mr. Wells moves first reading of bill intituled, the Education Act, 1974.

Motion agreed to; first reading of the bill.

Hon. Mr. Wells: Mr. Speaker, this is the bill that we introduced during the last session and was known as Bill 255. It is a consolidation of the Ministry of Education Act, the Schools Administration Act, the Public Schools Act, the Separate Schools Act and

the Secondary Schools and Boards of Education Act.

As you are aware, sir, that bill has sat on the order paper, it has been reviewed and it has been revised in many areas. The revised version now comes before the House. I should just particularly draw to the attention of the House that one of the concerns of some of the separate school trustees in this province concerned the Separate Schools Act and their need for a definite assurance that there would be no erosion of their rights—something which I indicated when I introduced the bill on Nov. 30 would not happen, and which has been further strengthened by the addition of several sections to this draft bill.

It's my intention that after second reading this bill should go to the standing committee on social development for full discussion of all the sections, including discussion with the members of the public. Perhaps, sir, I could at this point also mention, since this is a lengthy bill and just in order that we can know the timetabling for this session, I now find that I will have to change an answer that I gave in this House a few weeks ago about introducing the bill on teacher-school board negotiations. It would not be possible now for me to introduce the bill until the middle of June at the earliest, which would not give adequate time—

Mr. Lewis: Hear, hear.

Hon. Mr. Wells: —for full discussion, so I do not intend to introduce that particular bill until the House begins next fall.

Mr. Lewis: The minister is right about that. You see, sense comes to those who stand and wait.

Mr. B. Newman: Is it the intent of the minister to have this bill proceed through the committee and come into effect before the House rises for the summer break?

An hon. member: He didn't hear the question.

Mr. B. Newman: Is it the intent of the minister to have this proceed right through the committee and become effective before the summer break?

Hon. Mr. Wells: I think that the answer to that really has to rest with the House. It's pretty hard for me to predict the type of discussion or the length of discussion that will go on. I understand the committee still has many sections in the Health Disciplines Act to do and that after that it will be able to get down and do this bill.

Mr. Lewis: Mr. Speaker, may I ask the Minister of Education if he does in fact have the collective bargaining bill in a state of preparation sufficient to bring it forward on June 15 or thereabouts, and since rumour has it we won't be adjourning for at least six days beyond that, could we not see first reading of that bill and allow it to sit over the summer so that people would have access to it, since apparently he will have it ready before we adjourn?

Hon. Mr. Wells: I think not, Mr. Speaker, because really it would have been a rush to get this bill and that one ready, and it would be so near the end of the House session that I think I would really rather leave it and introduce it in the fall.

Mr. Cassidy: But this one is ready now. The ministry has lots of time to prepare the other one.

Hon. Mr. Wells: This bill is ready now, but as the hon. members realize, once we get into committee I will be very busy with this bill.

Mr. Cassidy: All we need is first reading, that's all.

Mr. Speaker: Are there any further bills? If not, the hon. Minister of Transportation and Communications has a report to make. Could I have the consent of the House to revert to reports?

Hon. Mr. Rhodes: Thank you, Mr. Speaker. I would like at this time to place before the House a report entitled "The Socio-Economic Effects of Telephone Rate Increases."

Mr. Lewis: They are all bad, that is what they are. He doesn't need a report to tell him that much. He has told us how communications concerns people.

Hon. Mr. Rhodes: Would the member really like me to tell him the obvious? Really? Here in this open House?

Mr. Lewis: He does it every day. He does it all the time.

Hon. Mr. Rhodes: No, I won't tell him the obvious.

Mr. Speaker: Further bills?

REGULATION OF PRIVATE VOCATIONAL SCHOOLS ACT

Hon. Mr. Auld moves first reading of bill intituled, An Act to provide for the Regulation of Private Vocational Schools.

Motion agreed to; first reading of the bill.

Hon. J. A. C. Auld (Minister of Colleges and Universities): Mr. Speaker, the purpose of this bill is to provide an up-to-date registration system for private vocational schools to replace the Trade Schools Regulation Act. The bill will safeguard both the rights of the persons operating the schools and the persons using the schools. To this end, a private vocational school review board is established to conduct hearings under the Act.

Hon. Mr. Winkler: Mr. Speaker, before the orders of the day, I would table the answers to questions 8 and 19 standing on the order paper. (See Appendix, page 2675.)

Mr. Speaker: Orders of the day.

Clerk of the House: The second order, House in committee of the whole.

LAND SPECULATION TAX ACT
(continued)

House in committee on Bill 25, An Act to impose a Tax on Land in respect of Certain Speculative Transactions affecting the Control or Ownership of Land.

On section 19:

Mr. Chairman: On Bill 25, we were discussing section 19 and I am not sure whether the minister placed his motion or not.

Hon. A. K. Meen (Minister of Revenue): No, I didn't get my chance, Mr. Chairman. I move that section 19 of the bill be deleted and the following substituted therefor—the substitution would be as it appears in the reprinted version in the hands of the hon. members.

Mr. Chairman: Mr. Meen moves the new section 19 as printed—is it necessary to read it?

Mr. J. A. Renwick (Riverdale): This is the same section with which we had the problem in the Land Transfer Tax Act, as I recall. This was where the agreements were to be filed with the minister before a certain date. He has now eliminated that requirement in this bill, as he did in the other bill, so that presumably we are left in the very nebulous position we were in the previous bill, that with written agreements, so long as at some point in time, be it ever so long, the minister is satisfied that the agreement existed, there will be no tax, if it meets the requirements in the section.

We feel the same as we did on the prior one. The date required for filing those agreements with the minister is a required protection for the revenue, and the minister has given way to the professional advice which he has got from those who have special interests in making certain that agreements such as this can be brought into existence or found in files, long after the time when the Act was brought into force.

Hon. Mr. Meen: I would agree that certainly it does give the minister that degree of flexibility, Mr. Chairman, and it certainly became apparent to me that flexibility was necessary. I would expect that in the ministry we may continue to receive submissions of this nature from time to time—I would presume, also, at an-ever diminishing rate—but I would not be at all surprised if, for some time to come, there was occasion when some person—and it would not necessarily be a lawyer; some individual might have been holding his documents—approaching the time when it was necessary for registration to take place, he might appear and find, otherwise than by this amendment, that he was precluded from registration except subject to the Act. The same arguments which I advanced in respect of the Land Transfer Tax Act do apply here.

Mr. Chairman: The member for High Park.

Mr. M. Shulman (High Park): I want to make sure I am discussing the right section 19. Is this the one with the pointing finger above it? That's the one you want to have in, is it?

Hon. Mr. Meen: Yes.

Mr. Shulman: Okay, because I thought you had reprinted it again. I am sorry. The point I want to bring up here is mildly disturbing to me. This morning I phoned the office of the Minister of Revenue to ask about this very specific section because I found it very difficult to understand how you could ever know when an agreement had been drawn up. What is to stop someone coming to you five years hence and saying "This was drawn up on April 8, 1974"? There is no way of really knowing this. In any case, I phoned the minister's office—

Mr. E. R. Good (Waterloo North): Chemical analysis of the ink.

Mr. Shulman: Pardon?

Mr. Good: Chemical analysis of the ink.

Mr. Shulman: Yes, apparently they are getting ink specialists. I am not even going to belabour that point because the whole thing went into a cocked hat as a result of my phone call.

First of all, you are are told to phone 965-1211 and they say, "What do you want?" You say "The Minister of Revenue". "What do you want to ask about?" You tell them what you want to ask about and they say, "You must phone 965-1774." I tried that for half an hour from 9 to 9:30 but that line is steadily busy. Apparently, I guess, they have only one line and millions of people are inquiring what the hell is going on. Finally, I phoned back again to 965-1211 and I said, "I have really got a problem—"

Mr. V. M. Singer (Downsview): May I interrupt the member on a point of order, Mr. Chairman? I don't believe there is a quorum.

Clerk of the House: Mr. Chairman, there are 19 members present.

Mr. Chairman ordered that the bells be rung for four minutes.

Clerk of the House: Mr. Chairman, I see a quorum.

Mr. Chairman: I recognize the member for High Park, he may proceed with his question.

Mr. Shulman: It wasn't exactly a question, it is more in the nature of a statement. Mr. Chairman, I was explaining my problem in getting through to my friend the minister. I want to inquire about a property which I want to sell—how much tax should be paid? I had some difficulty.

Apparently there is a special number one must phone, 965-1774. This line is perpetually busy, because I presume they have only one line and there are 10,000 people trying to find out. In any case after half an hour I gave up and I phoned back to Queen's Park again and I explained my problem and she said, "If you want to you can hold on, but that line is always busy." So I held on again, and fortunately it only took 16 minutes—14 minutes to 10, she triumphantly came back and said she had a line for me.

I have a confession to make, Mr. Chairman. I hope you are not going to be upset with me. I didn't want to use my name because I was afraid that I might get extra special attention and I used my secretary's name in this conversation that followed.

Hon. Mr. Meen: Oh, dirty pool.

Mr. Shulman: Her name is Worobec. I explained that I was Mrs. Worobec—I have a high voice—that I owned a property on Roncesvalles Ave., which was rented out to various persons, and that I was going to sell it next month.

I was going to explain as under section 19, that I already had a prior agreement—you know that whole guff—but it never got to that section you see, because this gentleman who I spoke to in the department, his name is Walker—that's what he said his name was and I presume they are not changing their names to protect themselves yet—

Don't go away, Arthur. We are losing the minister again, we will lose the damn quorum again. How can he listen to me and talk to them at the same time?

Hon. Mr. Meen: I am listening.

Mr. W. Hodgson (York North): The member had better get a couple of his own members to back him up.

Mr. Shulman: I just want the minister; I don't need anybody else. If Arthur will just stay here I will be satisfied.

Mr. W. Hodgson: We only have three NDPs in the House.

Mr. Shulman: Here he comes. Okay.

I explained to Mr. Walker that I had this building which I wanted to sell. He said: "What are you going to sell the building for?" And I said: "Eighty thousand dollars. My problem is, how can I be sure what it was worth on April 9th, 1974?" He replied: "If you will send us a letter giving it as your opinion, that the building was worth $80,000 or more on April 9th, 1974, there will be no tax payable and we will require no appraisal and nothing else."

I thought, good Lord it can't be true—because, if so, what in the world have we been fighting in the House about for all these weeks and months? It has all been for nothing. No appraisal is needed. No tax to be paid. All we have to do when we are ready to sell property is write our own letters, saying the property was worth more on April 9th, 1974.

Well, I hung up and I thought to myself, I must have misheard.

Hon. Mr. Meen: Mr. Chairman, on a point of order. I do enjoy listening to the hon. member when he is posing these stories and telling us of his experiences, but really, I see no relationship between this story and section 19 of the bill.

Mr. Chairman: I was wondering that myself.

Mr. Shulman: Well, I will tie it all together.

Mr. Chairman: If you can just relate it to section 19.

Mr. Shulman: What I was attempting to investigate, before I got sidetracked by Mr. Walker, was how in the world he would know whether I had made an agreement prior to April 9th, 1974, which is what this section is about—at least the one I have got in this book, unless you have changed it. I did ask for another book and they brought me another, but this one looks very much the same.

In any case what I am trying to get through to the minister is: Mr. Walker said not to worry—no tax payable, no appraisal necessary, no documentation necessary. All I have to do is send in a letter saying, in my opinion, my building was worth more than I am selling it for now.

The question I pose to the minister is: What are we doing? What is this all about? If we go back umpteen sections and several weeks ago, when we were asking: how are you going to know?—you said, "You get a real estate agent to give an appraisal."

Now apparently that has been abandoned too. All that is necessary now is that the man who is selling the property sends in a letter saying that his property really hasn't gone up in value since April 9th, 1974.

Quite frankly, Mr. Chairman, I found this so extraordinary that I had my secretary actually phone back herself. She got another gentleman, and the same story. This second gentleman said, "We have been instructed that we are to accept a letter from the owner. If he gives us such a letter, we will give the certificate and there will be no tax."

What are we doing here? What's it all for if that is all you are doing?

Hon. Mr. Meen: Do you want an answer?

Mr. Shulman: Yes, I would really like an answer.

Hon. Mr. Meen: Well we are completely off the point again because the hon. member is talking about establishment of value, not whether an agreement had been entered into or reached prior to April 10th, which is what section 19 is about.

But since he has asked the question, let me simply point out that between April 9, and this day, May 30, some seven weeks have passed. If we go on very much longer, we will not be able to accept that very elementary kind of support material for an alleged evaluation.

Quite clearly with the immediate reaction on the real estate market following the April 9 announcement—indeed we hope that the effect on the market is something more than temporary—there has not been, in our opinion, any across-the-board increase in valuations.

In any event, it is so close to April 9, with the elapsed time of seven or eight weeks, that it would not be reasonable to assume that at the time a contract was entered into, which is sometime between April 9 and now—we are still seeing agreements that are being consummated now, and will be consummated for some time in the future, that were executed shortly after April 9, as well as those that were executed before it—but in that general region they have established a general value and so there isn't any problem as to confirming that there was an insignificant increment of increase between the date of April 9 and the date of the completion of the transaction by the registration of the documents.

So the staff have been instructed, as the hon. member for High Park has said, to accept a confirmation of this nature. But before very long we are certainly going to have to take the somewhat more sophisticated and—

Mr. P. D. Lawlor (Lakeshore): Why should you bother? You know the prices are going to go down. They couldn't possibly go up with this bill.

Hon. Mr. Meen: —complicated route of confirmation of the value, on or about April 9.

Mr. Shulman: I'm sorry, when did the minister say the change was going to take place?

Hon. Mr. Meen: For one thing, when the bill is passed. Right now there is no legislation in place.

Mr. Shulman: The minister's facts are wrong. I don't know if he has seen today's Financial Post—

Mr. Chairman: Order.

Hon. Mr. Meen: Let's get back to the point.

Mr. Chairman: Order please. The discussion up to now has had nothing to do with section 19.

Mr. Shulman: I beg your pardon, it most certainly has. Well, let's stop fighting and—

Mr. Chairman: Order, please.

Mr. Shulman: We'll be all through in three minutes if we don't fight. Let's not have another Tuesday.

Mr. Chairman: Keep it on section 19, please.

Mr. Shulman: Okay, I'm really trying very hard.

Mr. Chairman: Which, if I may point out, deals with agreements which existed prior to April 9.

Mr. Renwick: But it deals with special kinds of agreements, Mr. Chairman.

Mr. Good: Those made before April 9.

Hon. Mr. Meen: Having to do with value at that time.

Mr. Shulman: Right.

Mr. Good: No, there's nothing about value in there at all. It says—

Mr. Renwick: On a point of order, it has to do with agreements which fix values on dates—

Mr. Good: Prior to April 9.

Mr. Renwick: —prior to April 9, or not later than April 9.

An hon. member: And they're excluded so you don't have to worry about them.

Mr. Shulman: We sure do have to worry about them. We don't know when they were made. How do we know whether they were made on April 9, 1973, or—

Mr. Chairman: Order, please. The discussion up to now has had nothing to do with section 19.

Mr. Shulman: I can bring it up under 20 again if you'd rather, but I'm almost finished.

Mr. Chairman: It may be under 20, I don't know.

Mr. Shulman: Let me just very briefly end up by saying that if this is the reason he's following that logic he's wrong. Because according to today's Financial Post, the prices have gone up. There are two averages used. One is LePage's, which covers everything in Metropolitan Toronto. From April to May the average price went up from $42,240 to $45,095, according to LePage. The other figure, which comes from the multiple listing service, is similar: From $50,000 to $54,000. So it's nine or 10 per cent. Maybe nothing.

Hon. Mr. Meen: That isn't nothing.

Mr. Shulman: Well, that's what you're saying.

Hon. Mr. Meen: I am saying that there is no legislation in place and that I think it behoves us to get this legislation in place so that my staff can get on with taking a good look at some of these sales.

Mr. Shulman: Is the minister saying that because the legislation is not in place as yet, it's not in effect?

Hon. Mr. Meen: Of course it's not in effect.

Mr. Shulman: Then why are people already running around going through this nonsense of certificates?

Hon. Mr. Meen: Because we're warning you, my friend, that when this is in effect it'll be retroactive to April 9, that's why.

Mr. Shulman: So, in effect, it's not in effect, but it will be in effect as soon as it's in effect, and it will affect us now, today, so it is in effect.

Mr. J. R. Breithaupt (Kitchener): Well, in effect, yes.

Mr. Shulman: In effect, it's in effect. Let's get back here. The whole thing is so ludicrous that we find, in each and every section that we go through, there's a way for someone to avoid paying the tax. I forget what the figure was the hon. minister suggested is going to be collected this year.

Mr. Lawlor: That's $25 million

Mr Shulman: Not $25 million? It will be closer to $2,500. If we look at section 19 now, specifically—

Mr. Breithaupt: So it is a success.

Mr. Shulman: Not a success, it's uncontrollable, it's uncollectible First of all, the only people you can catch—

Mr. Chairman: Order, please. Order, please. Side discussions are out of order.

Mr. Shulman: I'm speaking through you, Mr. Chairman, to the hon. member for Kitchener.

Mr. Chairman: Speak to section 19, please.

Mr. Shulman: Okay. What section 19 does is to write a blank cheque for any speculator who wishes to speculate and not pay the tax. It's the same old thing once again, an invitation to fraud.

Interjection by an hon. member.

Mr. Chairman: Order, please.

Mr. Shulman: May I put a question through you, Mr. Chairman, to the member for Peterborough (Mr. Turner)? What are you going to do, use a handwriting expert or a paper expert to find a hole in the papers?

Hon. Mr. Meen: If this goes on long enough, we can use—

Mr. Shulman: The minister may very well have to.

I am not sure whether the minister is serious about this bill actually preventing speculation of land or whether it is just public relations value. If it's public relations value, if the minister will say so, I promise I won't ever say another word on the bill. I'll never criticize you again because the honesty will overwhelm me.

Hon. Mr. Meen: What was the member's question?

Mr. Shulman: The question is does the minister really intend to try to collect any money under this bill? If he does, section 19 is a blank cheque to anybody who doesn't want to pay the tax.

As late as 1992, they can come doddering in and say, "Many score years ago, I discussed with my friend, the member for Downsview (Mr. Singer), selling this property and we had come to the conclusion we were going to sell it for $1.8 million. In fact, I have a memorandum here, signed April 1, 1974, to that very effect." And the government hasn't any way of disproving it.

Anyone who pays this tax has to be quite simple, because the minister has given everybody a blank cheque. Anyone who owns property prior to April 9, 1974, needn't pay that. The only people you can possibly hope to collect from are those who buy after April 9, 1974.

I suggest to the minister once again for the 94th time—no, sorry, the 95th time—that he has made an error in this bill. When he rose and said he was eliminating section 19, as he did a few minutes ago, he should have just sat down at the end of those words, and then he would have been in good shape. What the new section 19 does is completely negate the entire bill. I won't belabour it. He knows I'm right and he's sorry he can't admit it here in the House, but we understand each other perfectly.

Mr. Chairman: Does the motion carry?

Section 19 agreed to.

Mr. Chairman: On section 20, I believe the hon. minister has a series of amendments.

Mr. Breithaupt: Perhaps, Mr. Chairman, we could have the amendments put and then we would all know just what we are supposedly going to be discussing.

Hon. Mr. Meen: Yes, Mr. Chairman, I would like to do that and then offer one or two comments before we get into section 20 of the bill. I move that sections 20, 21 and 22 of the bill be renumbered respectively as sections 23, 24 and 25 and that the following sections be added to the bill.

Then the following sections to which I make reference are section 20 as it presently appears in the bill, section 21 as it presently appears in the bill and then section 22, which does not appear in the bill as reprinted for the benefit of the committee but for which there should be copies available for you, Mr. Chairman, and all hon. members who would like to have them.

Section 22 then reads as follows:

Notwithstanding any other provision of this Act, where a transferor, who has not previously disposed of designated land exempt in whole or in part under this section, disposes of designated land that was his principal residence for a period of five consecutive years prior to his ceasing ordinarily to inhabit the designated land as his principal residence; and where at the time he ceased ordinarily to inhabit the designated land as his principal residence the transferor was 65 years of age or older; and where at the time of the disposition the transferor is ordinarily inhabiting as his principal residence premises that are not owned in whole or in part by him or his spouse or by both of them, the designated land so disposed of is exempt from the tax imposed by subsection 1 of section 2 to the extent that the designated land would have been exempt by virtue of clause (e) of section 4 had the transaction to dispose of the designated land at the time he ceased ordinarily to inhabit it as his principal residence and had clause (e) of section 4 then been applicable to the disposition.

Mr. Chairman I think I should ask you if you would like to put the motion first.

Mr. Breithaupt: We are prepared to take it as read by the minister, Mr. Chairman.

Mr. Chairman: I will just place the first part and then we'll take the rest later.

Hon. Mr. Meen moves that sections 20, 21 and 22 of the bill be renumbered respectively as sections 23, 24 and 25 and that the following sections be added to the bill as printed.

Mr. Breithaupt: Mr. Chairman, of course, we have not had really had much of an opportunity to look at the sections since the minister has just proposed them.

Mr. Chairman: Would the minister be prepared to explain them?

Mr. Breithaupt: I think it might be helpful if the minister would give us his overview of the new sections that are being placed. I have before me a new section 22 but I don't have a new section 20 or 21.

Mr. Renwick: They are in the bill.

Hon. Mr. Meen: They are in the bill but renumbered.

Mr. Breithaupt: All right.

Mr. Singer: Could you quickly tell us how the numbering scheme goes now?

Mr. Chairman: Do you want me to repeat that?

Mr. Singer: I'm a little lost here.

Mr. Chairman: From the original bill Mr. Meen moves that section 20—

Mr. Singer: Which one are we looking at? Are we looking at the first printing, the second printing or what?

Hon. Mr. Meen: Mr. Chairman, for the benefit of all members, the complication was the renumbering of the sections that followed sections 20 and 21. In adding a new section, which I wanted to insert following section 21 as it stands in the reprinted bill, that displaced the other sections down by one number. The motion, therefore, had to include the references to the present section 22, which as the members know, is the section dealing with regulations and Lieutenant Governor's orders in council.

The only difference is that the new section 22—which deals with our senior citizens and their principal place of residence, which they will note is for a period of five years prior to the time when they vacate the premises to take up rented accommodation, possibly with a daughter or a son or in a nursing home or wherever—new section 22 then moves in above old section 22.

The other two sections, 20 and 21, are precisely as they appear in the bill as reprinted for the benefit of the committee. I would suggest, Mr. Chairman, we would deal with section 20 and then with section 21. This will give members who are more interested in section 22 to have a good look at it and let me have the benefit of their views at that time.

Mr. Chairman: This is section 20 as it appears at the bottom of page 27?

Hon. Mr. Meen: Yes, Mr. Chairman.

Mr. Chairman: The member for Riverdale.

Mr. Renwick: My first comment—and I really ask this simply by way of explanation—is that the tightness of subsection 1 of section 20 seems to me to be a matter of some concern with the use of that word "exclusively." There are a substantial number of buildings which have living accommodation in them which would otherwise qualify but on lower floors or on the ground floor have stores of some kind or another in the building.

It does seem to me that it's a little bit unreal only to grant this particular benefit to those properties that happen to be exclusively devoted to living accommodation. On a strict interpretation of the bill somebody might believe he is entitled to the benefit of these provisions and find that he isn't so entitled. I'm not certain that I know exactly how to alleviate against that stringency but it is too stringent in my view.

Mr. Chairman: The member for Waterloo North.

Mr. Good: On this section of the bill, I just want to make sure that I understand its implication properly. The way I interpret it, the bill means that in this new classification, investment property which would be a fourplex or a sixplex is rented so that the tenant uses it as his principal place of residence. If the part of the rental property is the principal place of residence and another part is commercial and industrial, it would be exempt under other sections of the bill from being designated land. But, as I understand the way this section deals with investment property, which is really housing units owned by someone other than the occupant of the house, it will be exempt if, over a

progression of years, the tax becomes less and less after three years, so that each year up till 10 years there would be no tax apply to that particular property.

Now this theory is good in my view and in the view of our caucus. We thought that this principle should apply to other types of land and would solve the whole matter of designation. I think the basic premise we must return to is the difference between speculation and investment.

In my view and in the view of many in this caucus, speculation is when one buys with the idea of a quick turnover if the price is right. You might buy for a long-term investment, but if you have a sudden opportunity to make a huge profit by turning the land or apartment building or whatever it might be, over quickly, that would be speculation and not in the best interests of providing adequate housing facilities at proper prices. To eliminate the driving up of costs in the housing field. I think the 10-year term is a reasonable length of time.

People who are buying residential property in multiple units, particularly in apartment buildings, are doing so as an investment. And without people entering the investment field in multiple unit housing, we are going to find that it would be very detrimental to the whole housing picture across the province. So this I think is a very acceptable solution to the problem which existed in the first bill, and we will support this section of the bill. I don't know about the matter raised by the member for Riverdale; to me it doesn't seem to be a problem because if it's not exclusively residential and is commercial or industrial, it would be exempt under other sections of the bill.

Mr. Renwick: No, it works the other way.

Mr. Chairman: The member for Lakeshore.

Mr. Lawlor: Mr. Chairman, I take it, first of all as a matter of order, that we will be discussing the two subsections separately. I suppose we can discuss them together if we want, but I have quite different things to say on the two subsections, as has been the case throughout the bill.

On this particular one, the word to conjure with in the context is "exclusively". If property is commercial then it's outside your legislation. If it's mixed though, that's the warp and woof of the arguments from over here. Is there a principle, or ought there not to be a principle, whereby a prorating process would take place as between the commercial on one side of the fence and the residential on the other. Or if it's mixed, does it fall, in your opinion, completely outside the purport of the legislation?

Mr. Singer: Mr. Chairman, on a point of order. I am sorry to interrupt the member, but I don't think there's a quorum.

Hon. Mr. Meen: Oh, for goodness' sake. You and the member for High Park.

Interjections by hon. members.

Clerk of the House: Mr. Chairman, there are 18 members present.

Mr. Chairman ordered that the bells be rung for four minutes.

Clerk of the House: Mr. Chairman, there is a quorum present.

Mr. Chairman: Thank you. I recognize the member for Lakeshore.

Mr. Lawlor: I have pretty well made the point that I am concerned about in the first section. I just want to get on to the record exactly how the minister regards the mixed commercial-residential concept. Secondly, has he given any thought to a scheme of prorating within the ambit of that? I see nothing on that basis, although he has gone to some lengths elsewhere in the course of the bill, to set up provisions for pro-rating in diverse circumstances.

Hon. Mr. Meen: The hon. member has raised an interesting point, Mr. Chairman. In section 1, subsection (d), I think it is—no, I am sorry I have the wrong subsection—section 4 subsection (d); excuse me—it is on page 12 and we talk about predominantly tourist, commercial, industrial and so on. I have a notion that we might overcome the difficulty which I read in what the member for Riverdale and the member for Lakeshore have said about the use of "exclusively" here. I think that is a little stringent.

Mr. Renwick: Yes, I agree.

Hon. Mr. Meen: It might be that the word "predominantly" in there would overcome the problem. The two situations—the industrial, commercial, tourist and so on on the one hand, and residential use on the other—are mutually exclusive. They have to be. Presumably, if we use "predominantly" with respect to the one, we would overcome any problem if we use "predominantly" with respect to the other, namely rented accommodation ordinarily inhabited by the tenant.

Mr. Renwick: Presumably; we are quite happy to move on—

Hon. Mr. Meen: Yes. On that basis I think we could consider it.

I might ask your guidance, Mr. Chairman. Do the hon. members wish to discuss subsection 2 to 20, while my advisers reflect on this a little more?

Mr. Chairman: Is that satisfactory?

Hon. Mr. Meen: And we might go back on to 20 subsection 1.

Mr. Renwick: Mr. Chairman, I would suggest we stand subsection 1 down for the moment.

Mr. Chairman: All right, we'll call subsection 2. then.

Mr. Lawlor: Just permit me a word or two so that my ruminations may get mixed up with their cerebrations, or vice versa.

I can see the use of "predominantly" in the context that you mentioned previously as to the designation of a tourist establishment. But I suggest that there could be very critical ambiguities in connection with that particular term in this context. That's as much as I want to say about that at the moment.

It will have to be scouted very carefully, I suspect. I can't give up a thing so easy as that. Again, I think the better path into virtue would be to try to segregate on the basis of that portion which is attributable to commercial over against the residential on some sort of formulae. It's far more complex; I concede that. But I also think it goes more to the purpose—instead of getting into equivocations arising out of the terminology like "predominantly."

As to the second clause, what is the raison d'être or policy behind the three-year period? What's in the minister's mind as to why the three-tenths doesn't begin tomorrow morning, so to speak, rather than the holding over this period of time?

Mr. Renwick: You mean one-tenth of the year, starting now.

Mr. Lawlor: Yes, one-tenth of a year starting now; rather than the other. The design there must be to force individuals in this particular investment category, to stay off the market; to withhold their lands from the market until they can accumulate the benefits.

The second thing about it arises out of this first subsection. Again, when you've got the mix concept—and even if the word "predominantly" was there—if they were going to be hit by the tax, wouldn't it be in their interest to convert either in one direction or the other—particularly if the other was as to the time running?

If time had run seven or eight years, and the seven-tenths have been picked up, would it not be in their interest to convert the residential—I'm sorry. If it were an earlier time than that, after the first couple of years of this legislation, why wouldn't one empty the place of tenants completely and turn to commercial and thus rid yourself of the burdens of this Act? The other way around, later on in the day, having accumulated certain tax benefits, then there may be a point to converting over into the area of the residential and excluding the commercial.

In other words, I want to rule out this back and forward play that could be involved in this. You are designing the legislation to promote particular business activities, particular orientations and uses of land in a certain way. With effective tax legislation of this kind, you are going to arrogate this particular economy into certain directions.

The second point that I made is the one that more crucially influences me—namely, the business of simply emptying, getting rid of tenants, and turning buildings into commercial premises. Is there anything preventive of that? Or what strictures, limitations or otherwise has your legislation to prevent that?

Surely you'll agree with me that that this would have the most undesirable social consequence—the most undesirable possible. Because the legislation is designed to a point whether it be efficacious in this regard or not, awaits for the womb of the future—but at the moment it's designed to obtain more housing, to stimulate the housing market, to drop prices—and all sort of thing. And that clause as it presently stands, seems to me, not very well designed to do so.

Hon. Mr. Meen: Mr. Chairman, that may be a possibility. I really have no idea whether a person with an apartment building who wanted to take advantage of the exemptions provided for commercial accommodation, would find it advantageous to convert his apartment suites, every one with kitchen and bathroom facilities, to commercial accommodation. I really don't know. I would think that it would not be an economical thing to do when you consider that within three years, under the provision, the allowances for reduction in the amount of any speculative tax would have started to come into play.

Mr. Lawlor: Would the minister permit a question?

Hon. Mr. Meen: Yes, certainly.

Mr. Lawlor: I hadn't that in mind so much. That is a bit obtruse. What I had in mind was the mix of residential and commercial, with residential suites above a whole series of stores, where the landlord says: "All right. I'll put the whole works into offices," and out go all those tenants

Hon. Mr. Meen: That's the point I'm making, though

Mr. Lawlor: The apartment house example isn't too good.

Hon. Mr Meen: Take the case, though, where there are stores on the main floor and apartments above. I don't know, but I would have supposed that it would wind up as pretty expensive commercial accommodation to convert those apartment suites for commercial purposes and, indeed, to establish that they were being used for commercial and not for predominantly residential accommodation as previously.

The hon. member also asked about the three-year term. That really was intended to stop the churning referred to by the member for Waterloo. There are various ways you can do it. You could say: "All right. Take 10 per cent of the amount of the tax off every year, diminishing over 10 years to zero from 50 per cent." Really, I think it does have regard for the present picture, and I think that three years is a reasonable period. If the property is held as a genuine investment today, it's not going to be too tough a task for the genuine investor to look at three years hence and say that from then on he will start realizing some reduction in the amount of tax he would have to pay on a speculative gain.

In the intervening three-year period there may or may not be any gain, so I don't think the immediate effect would be adverse to any apartment owner. It was our feeling that the three-year term, to put it as I said at the beginning, would be effective in stopping churning.

Mr. Chairman: Shall subsection 2 stand?

Mr. Renwick: Mr. Chairman—

Mr. Chairman: On subsection 2?

Mr. Renwick: I would just like to make a couple of comments. I share the concern of my colleague, the member for Lakeshore. What the government is really doing is calling a halt for three years but then building in an acceptance of a 10 per cent rate of inflation in the value each year.

What bothers me here is what has bothered me throughout the bill. This is another example of the situation where you suddenly make everybody, no matter how long he's held his property, you call everybody a speculator and stop him from selling. The person may have held an apartment building as an investment for several years—indeed for many years in some cases—but you're suddenly saying to him: "No, you can't sell it now for three more years."

Hon. Mr. Meen: Oh no. We're not saying that. We're saying that he may not sell it at a speculative profit.

Mr. Renwick: What you're saying is that he cannot put it on to the market, because you then make him a speculator, even though, in any other characterization of that person in his ownership of that property, he could only be considered to be an investor.

You turn him into a speculator and prohibit him, for practical purposes, from selling at a 10 per cent rate each year, even though, three years from now, he can add the three-tenths of the value and one-tenth for every succeeding year. It seems to me to make very good sense to at least do what my colleague said: start the one-tenth running now and leave him free to sell it.

Mr. Good: Why should anyone speculate on residential property?

Mr. Renwick: I'm talking about the fact that what this bill is doing is to make a speculator of everybody who is otherwise an investor in real property. I don't think that is the intention of what we're about. A speculator is a person who buys property and either before or shortly after closing the deal turns it over again.

The other point that seems to me to make sense—I mean, mathematics is a pretty exact science—is that you should be able to have the benefit of the proportionate part of the one-tenth, regardless of whether you hold it for the whole of a year. It seems to me that what you are saying to everybody is that unless you hold it for the whole of a subsequent year, you are not going to get the one-tenth that year. Well, if it's sold half way through the year, presumably there is no reason why you can't take one-twentieth. If he sells it a quarter of the way through the year there is no reason why he can't take a fortieth. I don't mean that you have to do

it on a per diem basis, and make it work that way—

Hon. Mr. Meen: Where do you draw the line?

Mr. Renwick: I think quarterly is not a bad idea. One year is too long in order to earn the benefit.

Hon. Mr. Meen: That might be. And we did, in the case of the farming allowance, work it back on a monthly basis. But I think for the present time, at least, on a yearly basis—there would be no allowance for the next three years, we'll have an opportunity to determine just what kind of credit adjustment might be worked out on a basis like that.

Mr. Renwick: Well, you've got three years.

Hon. Mr. Meen: We'd have a little more time, yes.

Mr. Breithaupt: I hope the minister does take advantage of that opportunity to ensure that a proper balance is given to persons who may dispose of properties that come under this subsection.

There was some comment made earlier with respect to what we had felt would be a way of avoiding this entire matter. That of course would be to set a time limit generally on the ownership of all properties so that with the proper safeguards for persons who had to move or who had some particular reason for disposing of their buildings, we would be able to deal with the matter of speculation based on the length of time for which property was held.

The chairman will recall that we were going to propose an amendment with respect to this matter under section 2 earlier on, particularly dealing with the suggestion that a five-year term might have been satisfactory. A removal of the tax on the basis of 10 points of the 50 for each of the subsequent five years would have meant that after a 10-year holding of a property, there would, in fact, be no tax exigible.

We thought that this was worthwhile because it would be a way of dealing with all properties equally and further, it would be a way of allowing the person who has held the property for a substantial number of years to, in fact, balance the increase in value with the inflation that we all know, regrettably, is always taking place.

In the amendment that has now been brought in, Mr. Chairman—in this series, which in fact deals under section 20 with the matter of investment property, we do commend the minister in the approach he has taken, particularly to have a three-year term, after which there is some relief against taxation.

Surely the people we want to penalize in this circumstance are those who purchase a property and, without any improvement, without any development, sell it after perhaps watching a crop of weeds grow, and make a large substantial profit from that sale. These are the ones who should be taxed in order to, hopefully, lower the eventual cost of accommodation on property.

I think that what the minister has done here in using a three-year term, is a beneficial start in ensuring that persons who are actually investing are going to be encouraged to invest in the knowledge that the property which they have no intention of disposing of in three or five or perhaps even 10 year is not going to be harmed, other than under some perhaps forced disposition that would occur before 10 years might pass.

There is one point that I might appreciate some clarification upon. It is my presumption that if a property has perhaps been owned for five or 10 years up until April 9, then of course if it were sold within the next three years it would acquire the possibility of taxation on whatever the 50 per cent value increase was over those subsequent three years. Presumably the minister, since he has agreed with my view, accepts the fact that we have to start somewhere and that persons who have held property for a length of time might well have benefitted substantially by increases in value up to April 9 so as to soften what might otherwise be a blow.

If that attitude is accepted—as the minister nods his head and says it is—then presumably those who are continuing to invest or who choose to invest and hold property for some years, are of course, going to have the advantage, which we properly think they should have, in acquiring and dealing with their property over a period of years so as not to have a tax attracted.

I think that the three-year term that the minister has suggested is a fair compromise and a good basic guideline by which to go. Anything less than that would appear certainly to raise the suggestion of speculation. Anything longer than that period of time might well raise the presumption of investment. In choosing this three-year term, we agree it is a satisfactory one so long as there are the safeguards which we all plan for in the reduction of tax so long as properties are held for a longer period of time.

We were all concerned that the earlier bill brought before us did not have the opportunity of dealing with this particular matter. We believe there are many persons in the province who have invested in properties with the desire to hold them over a period of years, to manage them and, of course, to use them as a hedge against inflation with, hopefully, a benefit eventually which might well match or be better than the rate of inflation to which we are all subject. We think those persons should be encouraged. They should be able to benefit in that choice of an investment just as others of us might choose to invest in some other security or in some other commodity.

I think, as a result, you have struck a good balance in this matter. The three-year term is a reasonable one and we approve that position which has been brought forward particularly in this section.

Mr. Good: Mr. Chairman, I would like to bring up one point in relation to this which, I must confess, I did not understand properly until the minister shook his head now.

A person buying an investment property now—an apartment building—is free of tax in 10 years. What is so different about a person who bought a property seven years ago and wants to sell it three years from now? He would not be free of tax on that particular property—he might have held that property for 25 years as an investor. I don't understand why "commencing April 10, 1974" should be in there. An investor who invested before your valuation day is no more a speculator than one who invests after your valuation day. In my view you brought a brand new thing into this discussion when you shook your head in the affirmative in answer to the question of the member for Kitchener.

I cannot see why this rule should not apply before as well as after your valuation day of April 9. Could the minister reply to that?

Hon. Mr. Meen: Certainly, Mr. Chairman. You have to recognize that it may well be that the person who bought his property 10 years ago, five years ago or two months ago was not a speculator. That may well be but how do you know?

Mr. Renwick: That is precisely the problem, so you make everybody a speculator.

Hon. Mr. Meen: There was no land speculation tax. He may very well have been holding it simply to speculate or to churn or whatever, depending on—you are looking at the subjective end of things.

Mr. Good: If he has had it for 10 years?

Mr. D. M. Deacon (York Centre) Not churning in 10 years.

Hon. Mr Meen: We are allowing all capital appreciation up to that date but from then on it's a new ball game. Don't shake your head—we have argued over this for hours and hours and hours. We have a new ball game beginning April 9 and from that time forward, investors and all others must look at these properties in a different light.

They either look at them as an investment or they look at them as a speculation. If they look at them in the light of speculation they must expect to pay some tax but they will pay tax only on the accretion in value after April 9. In this case, if we are going to look at people now as investors, it is certainly true that the time should start from the time when we announced there would be a speculation tax.

In this case, this is a further exemption for a class of people who, we all recognize, can demonstrate they are investors. There is nothing to stop them from selling and if they sell at an increment in value over and above the April 9 value, they must recognize they are put in the category of owing some tax. A person may, after three years if he has held, start to derive the benefit of that abatement in the tax which the hon. members in the Liberal Party at any rate have indicated they support.

I think it is a reasonable period of time within which—to use the colloquial—weed out the speculator and the fast churn artist from the genuine investor in rental accommodation. That's the reason for having it and that's the reason for having it begin on April 9 and not sooner.

Mr. Chairman: The member for Lakeshore.

Mr. Lawlor: Mr. Chairman, if I were so disposed to carry about in my briefcase a copy of "The Wealth of Nations—all three volumes—and in good Tory tradition and historical fact name myself Adam Smith I think my hair would turn slightly grey in the promotion of the section. While I support the section, I don't think you should, being an heir and disciple to Adam—not the original one, just the Smith one.

Has the minister considered the adverse economic effect and social effects? I think what happens in this particular context is that if you don't adopt the one-tenth per

annum, beginning now and flowing into the future—a position which I'm personally advocating—then you're placing an unnatural constraint on the market. In effect, you're holding properties, or forcing individuals to hold properties off that market and therefore the property is not being marketed. It has adverse economic effects in that way which are obvious to anyone who thinks about it.

There's a fluid and free flow of the market mechanism itself not being able to operate. There would be no real incentive or no propulsion toward the lowering of the price if these are held in abeyance so to speak. It constricts the market. The demand continues to be there but, nevertheless, the supply has been diminished by reason of the legislation in this particular area.

You can't help but have only one adverse effect and that is to drive prices up in this particular context. This is because of the availability of a kind of investment property that simply won't come onto the market until three years hence. I trust you've really considered this restraint of trade feature of the legislation. The minister seems to indicate that he thought there wasn't any such feature written into the thing, acting as a brake or as an impediment to the free flow of the market.

If you adopted my nostrum, then that wouldn't be the implication In effect, they would flow onto the market in a normal and usual way. As a matter of fact there might be some inducement to get them on the market as quickly as possible in the circumstances so that their incremental value wouldn't alter. They would take the maximization of their benefits as they presently stand and have accumulated over the years.

That's what you hoped was going to happen with respect to the legislation and, in part, has happened—in the city of Toronto at least: a freeing up of property and a greater mobility in sales. This is particularly so in the case of those who want to unload, having held the property for a certain period of time, they feel they may as well pack up, pick up the swag and head for hinter parts. To have that happen was your inducement to the lowering of the prices. There has been a temporary reversal of the thing, according to the Financial Post.

This section is designed with directly adverse and contrary effect to the other effect that you sought to stimulate and place into being. Does not the minister see this? He may say, "That's the price we have to pay for working what we consider certain equitable features into the investment property concept. We had nothing before. We've at least got this now. If it does happen to have this holding restraint-on-trade aspect, that can't be helped." I say it can be helped if you do what I suggest.

Hon. Mr. Meen: We don't think that it's going to create the kind of situation the hon. member for Lakeshore describes. I would say, though, that if it were clearly demonstrated to me that that situation arose and our economists concluded that that was the reason why it arose, we could change it. I'm not sure that going to a straight linear 10 per cent per annum abatement of the 50 per cent tax for every year the property is held after April 9 is going to accomplish that without having the concomitant effect of virtually permitting the churning to occur.

As soon as you start to reduce the amount of the 50 per cent tax relatable in a direct way to the period of time held, then you open the door to, say, churning after a year or so because then the taxpayer is only going to pay 45 per cent tax. Or, after two years he is only going to pay 40 per cent. Maybe it becomes worthwhile then to turn it over every couple of years.

Mr. Lawlor: Then they start churning in 1977.

Mr. M. Cassidy (Ottawa Centre): There is no difference there actually.

Hon. Mr. Meen: Okay, but he has held it for three years. Mind you, the three-year period is arbitrary and that is where we think there is a reasonable period of time he has had to hold it before he acquires anything by way of a credit against the 50 per cent.

Mr. Chairman, I don't know whether there is any other debate on this section, but I have been advised by my advisers that my suggestion with respect to the alteration in subparagraph 1 of 20 is satisfactory. If hon. members would like I could make an appropriate amendment at this time to sub 1.

Mr. Chairman: That is an amendment to the amendment?

Hon. Mr. Meen: Yes. It would be an amendment to section 20 as it stands in the printed copy of the bill.

Hon. Mr. Meen moves that the word "exclusively" where the same appears in the fourth line of section 20, subsection 1, be replaced by the word "predominantly."

Mr. Chairman: Is this sub-amendment agreed to?

Mr. Cassidy: Mr. Chairman, I am not sure now whether we are going to be talking about sub 1 or sub 2 or both of them.

Hon. Mr. Meen: Talking about both.

Mr. Cassidy: I regret that I missed the debate on the particular section. I am not sure whether that still satisfies the questions about the tests that have to be applied by a landlord to his tenant or occupant about ordinary habitation by that tenant or occupant.

The point that was made by the members for Lakeshore and for Riverdale, I believe related to the case where a property was partially commercial but mainly residential—for example, a store with four or six units above it. There is a test that is involved in sub 1 here, though, in which a landlord has presumably got to ask each tenant who seeks to rent from him, "Do you intend to be ordinary inhabitants in this particular unit?" Should it be somebody who wishes to use the place for illicit purposes or a politician who needs a pied à terre in Ottawa and Toronto, but keeps an ordinary residence elsewhere—don't confuse those two by the way—or let's say it was an apartment which was being rented by a large corporation for the use of visiting executives when they come in from out of town, and that kind of thing, it could be that even with the change in the word "exclusively" to "predominantly" that a landlord coulld be hit under that particular section.

Some nitpicking bureaucrat in the Ministry of Revenue could say, "Look, we happen to have had a look at the four or five units in this converted old mansion that you hold and we found that in fact most of these units are not regularly occupied by the tenants but they are used for other purposes," such as those that I have described. Maybe the minister could answer that question before we go on.

Hon. Mr. Meen: We may have to issue some interpretations for the benefit of the taxpayers, Mr. Chairman, but I don't anticipate any problem of that sort. Our assessment procedures designate these properties as either residential accommodation or business accommodation. The values of the assessment would be appropriate, I expect, in determining whether a building is predominantly for commercial purposes. If the stores in the building occupy several floors and perhaps there is a minor amount in which there is rental accommodation available in the form of apartment suites in the normal sense of that word, that building would be designated as a commercial building under the earlier definition which we talked about.

I don't think the member for Ottawa Centre was in the House at that time. With this alteration then from "exclusively" to "predominantly" we picked up the other side, where we have the definition of an investment property.

Where the quarters are predominantly used for rental purposes, then the whole of that building would be determined as an investment property would not have the exclusive nature of the commercial elements in that building applicable to it. As it now stands, the whole of that building would be subject to the application of section 20(2).

Mr. Cassidy: I am a bit confused there. As I understand it, if a part of the building is commercial and a small part is residential, then it would be deemed to be entirely commercial and exempt from the tax. Is that correct?

Hon. Mr. Meen: Would you say that again?

Mr. Cassidy: If most of the building is commercial but say a quarter of it is residential, then it is exempt?

Hon. Mr. Meen: Yes, that's right.

Mr. Cassidy: Now, if it's about half commercial and half residential, do you then prorate and only take the tax against half of the value of the building? Or do you apply this rule? What would you do in that case?

Hon. Mr. Meen: No, there is no provision for prorating, Mr. Chairman. I think the case where it fell on precisely a 50-50 basis in a total dollar-and-cents assessment figure would be a unique one—well, awfully close to unique; I suppose it could happen. That's not provided for in this instance. We might have to make a ruling in a case such as that. If that were so, I think I'd probably come down on the side of it being an investment property rather on the side of it being a commercial property, and let the taxpayer determine whether he has some other remedies available.

Mr. Cassidy: Let me take a factual situation. If I could, I would like to preface it by saying that I have suggested in this Legislature a number of times that the tax ought to be tougher than it is. But since you are putting in all sorts of exemptions, I am now concerned about inequities that are introduced into the Act by the way it has been drawn up.

It seems to me that to simply introduce the word "predominantly"—and I apologize, be-

cause that was suggested by my friends to the right and to the left of me.

Hon. Mr. Meen: It was agreed to.

Mr. Cassidy: Okay, but I don't think I am nitpicking. If you have a 50 per cent rule, in which you say if it's 50 per cent residential that is an investment property under this particular Act what happens in the case where the property is 50 per cent residential but one portion of it is occupied by the owner as his principal residence? What do you do in the case where the property is 49 per cent residential and 51 per cent commercial? You have a notch problem there, which is a pretty serious one; in one case, if it's 51 per cent commercial, it is entirely exempt—I am not sure if the minister is saying that, but that doesn't make good sense—

Hon. Mr. Meen: Yes, it would be—

Mr. Cassidy: —while in the other case, if it is only 50 per cent commercial, then it goes over into this particular section. The third thing is that this can be a very real situation in a common kind of property found along the main streets of many of our cities —shops with anywhere between two and four residential units over top of them. Because of the higher value of the shop property—

Hon. Mr. Meen: Oh, I don't know about that.

Mr. Cassidy: —the assessment will square off at about 50-50, residential and commercial. Can we get some more precision about where "predominantly" comes in?

Hon. Mr. Meen: I don't know that I can give the hon. member any more precision on that. "Predominantly" means more than 50 per cent, in my interpretation at any rate. In the kind of illustration the hon. member has given, if one had a store on the ground floor, with apartments above—certainly it's a common instance—I don't know whether the assessment would be such that the store would be worth more by way of assessment. It might be worth more by way of income, and in that sense be worth more by way of assessment. I don't know. Whether there was a precise balance between the two would be a matter of fact, and I would question whether it's really something that should trouble us at this moment.

In any event, I have already indicated my view as to the course I would take were I called on to make some kind of determination. The apartments above quite possibly could be of greater value, if there were three or four of those, than the assessed value relatable to the commercial property on the ground floor. But I must say I don't really know.

Mr. Cassidy: Okay. Let me just close this off by raising a practical problem. At present assessment, it may well be that the commercial value of a property is considered to be greater than the residential value of the flats that are upstairs—

Hon. Mr. Meen: Then it would be all commercial.

Mr. Cassidy: By 1977, even at the rate that the ministry is going, we are assured that there is going to be market value assessment; and at that point the ratio could be reversed Therefore, somebody who gets into a situation now because he thinks that it's going to be tax exempt, could find that the rules are changed—not because of anything he did and not because he wasn't included, but simply because the assessments returned by the ministry changed the proportion from 51-49, to give a hypothetical example, to 49-51. That doesn't make good sense.

Hon. Mr. Meen: He is going to know well before that, of course, if it should happen. His assessment notice is being updated annually.

Mr. Chairman: All right. The member for Huron.

Mr. Cassidy: If I can just raise one other point before I finish off, Mr. Chairman. Again on sections 1 and 2—

Mr. Chairman: All right, if it is very brief.

Mr. Cassidy: What is that? Well, it is not on the same point—

Mr. Chairman: Order please. The member for Huron wished to introduce—

Mr. J. Riddell (Huron): Mr. Chairman, if I may interrupt the speakers for a minute, I would like to draw to the attention of the members here the presence of a group of grade 7 and 8 students from the Seaforth Public School, under the supervision of Mr. Paul Carroll who is not only a teacher but a politician in his own right. I am sure that the members here would like to join with me in extending a welcome to this group of students and their teachers.

Mr. Chairman: The member for Ottawa Centre.

Mr. Cassidy: Had I known the member for Huron's business, I would have ceded much sooner, Mr. Chairman.

The other point I wanted to raise with the minister was in sub 2. It seems again that for a small owner of property that the sub 2 could have some quixotic effects. As I read it, a person who lives off and on in a property and at other times rents it out can either be exempt or can be hit by the tax in its full impact, depending on the timing of when he happens to live there and when he happens to sell.

If I can be specific, if they live there for three years and then rent it out for three years, then six years hence they have to sell it as an investment property and they are exempt to the tune of three-tenths of the tax. If they rent it for three years and then live there for three years or for two years, and then sell it, they are exempt from the tax—

Hon. Mr. Meen: Altogether.

Mr. Cassidy: —because it is a principal residence. If, however, they rent it for a couple of years, live there for a couple of years, and then rent it out for a couple of years, they get no exemption at all from the tax.

Hon. Mr. Meen: That's right.

Mr. Cassidy: I can tailor the examples, but I think the minister gets the point that I am making. What I would suggest is that the minister might consider in that kind of situation, in which there were the various alternating forms of ownership, that years during which the property is occupied as a principal residence would be deemed to be the same as years in which it is used as an investment property.

I think that is a reasonable kind of amendment. I don't want to propose it because I have told my friends that I will propose no amendments during the Act. But it seems to me that that would get around that quixotic effect that the government would not want to have. The Act, I remind the House, is basically very badly drafted. But if you can make that improvement you can patch up a little way and apply a Band-Aid to a rather bad animal.

Hon. Mr. Meen: Mr. Chairman, that is an interesting observation. That could perhaps be taken care of in another fashion. If it is a practical sort of thing to do I'd like to give that a little bit of thought over the next few months. We could take a look at determining whether an amendment would be desirable or necessary at another time, possibly in the fall.

I can see the point the hon. member makes. I can picture for myself homes owned by employees of, say, large companies who take on contractual work around the province, or perhaps around Canada. The employee owns his home and doesn't want to sell it when he has moved to take on some supervisory role, perhaps, in another city knowing that in a couple of years he is going to be back. So he signs a two-year lease, returns to take up residency again for a while, and then maybe discovers two years later, or three or whatever, that he is going to be moved to another site on another project of some sort or other.

I can imagine that there are instances in which the kind of illustration made by the member for Ottawa Centre would apply, and to which some kind of interpretation, either by way of regulation, or by way of amendment to the Act, might be appropriate.

But these are the kinds of refinements that I have talked about since the bill was introduced. We just couldn't picture all these refinements in the initial stages when we had to draft the bill from scratch. Even this section is a new one, added with our subsequent eliminations during second reading. As a result of that debate, it was put in at the time when I introduced the bill in the committee stage. We couldn't really have had a chance to have all these illustrations of cases brought to my attention. That is certainly one to which I will give some thought.

Mr. Chairman: The Minister of Revenue has moved that the word "exclusively" be replaced by the word "predominantly" in the fourth line of subsection 20.

Mr. Good: Mr. Chairman, I presume the vote on his amendment would carry the complete section. Would it?

Mr. Chairman: I think we will place this sub-amendment here first of all.

Mr. Good: All right.

Mr. Chairman: Those in favour of this word change—

Some hon. members: Carried.

Mr. Chairman: Would the hon. member prefer to come in on either subsection 1, or will it be on subsection 2?

Mr. Good: Yes, on subsection 2. I would like to return to the point, Mr. Chairman,

that I was making a few minutes ago. The more I reflect on it, the more dangers I see in the one particular aspect.

As the title of the bill says, it's a tax on certain lands and speculative transfers of land. And, when one sees the legislation as of April 9, one can then judge what type of buying or selling he is going to do as an investment or as a speculator. If a person buys raw land, he knows that unless he improves it, he is going to be classified and be subject to tax. If he buys a farm, he knows exactly what the conditions are. If he buys a residential property in which he wishes to reside, he knows where he is. If he buys an apartment building, he knows what the implications are and that he must hold it for 10 years.

Many of the amendments made in this bill —in the next section, in particular, and the amendments in this section—have been to correct situations which would have worked adversely toward residential property, and the provision of more residential property, which is in very great demand in the Province of Ontario.

We find here now that apartment buildings are only exempt from the speculation tax if they are held for a complete period of 10 years. I cannot in any way see why the 10-year period should commence on valuation day of April 9. If we find that everyone else who buys land or apartment buildings now can predetermine what—

Hon. Mr. Meen: He is not going to be convinced.

Mr. Good: Surely a person who has owned an apartment building for 10, 15 or 20 years cannot be put in a speculation class when he is dealing in residential property. The whole purpose of the bill is not to work adversely against the people who are providing housing in the Province of Ontario.

People who have been providing housing in new units bought as of now know that they must keep them for 10 years in order not to be classed as speculators

People who have already owned them for 10 years, 15 years or 20 years should not now be put in a speculation category. They should have already proved that they didn't buy them to speculate. Mr. Chairman, if they wanted to speculate, they wouldn't have owned them for 10 or 15 years. I think it is a very difficult position now for every apartment owner in the Province of Ontario, who has to reassess his position on investments he made many years ago.

Individuals who own a six-plex, a 12-plex or a 16-plex are going to have to decide on their future programmes. They are going to have to tell themselves, "I have owned this building for 20 years," and ask themselves, "Can I maintain it for another 10 years to prove to the government that I'm not a speculator?"

I just don't think this principle is right, Mr. Chairman. I would ask the minister to reconsider that particular aspect of the bill in relation to people who have owned apartment buildings for more than 10 years at the time this bill comes into effect.

Mr. Chairman: Shall this motion carry?

Mr. Good: Can I have a reply?

Hon. Mr. Meen: I think the hon. member for Waterloo North must have had his hearing aid turned off when I answered him about 10 minutes ago on that very point, Mr. Chairman.

Section 20 agreed to.

On section 21:

Mr. Chairman: Section 21?

Mr. Good: Yes, 21. Section 21 as it appears in the new printing?

Mr. Chairman: Yes, the newly amended section 21.

Mr. Good: Mr. Chairman, this is the section which rectifies a condition which existed in the original bill dealing with the sale of lots by developers to small builders. Many of us received correspondence from people stating that this would have a very adverse effect on the development of lots for developers who didn't want to be in the building business, and also for builders who didn't want to be in the development business. As the bill previously stood, we found there was no provision unless lots of a registered plan of subdivision were improved to an extent which meant that the developer had to put a building on them before he could be exempt from the tax.

Now, we find that the provisions of this section, Mr. Chairman, allow the developer to enter into an agreement with an agreeing person or the purchaser that the purchaser will take the responsibility for the tax which will be applicable if that purchaser or builder does not meet certain conditions. The conditions are what I would like to speak about briefly.

The condition, Mr. Chairman, is that the purchaser must covenant to commence build-

ing within a nine-month period, to commence construction of buildings on 50 per cent of the lots and he must also agree in his covenant with the transferor that within 18 months he will commence building on all of the lots purchased at that particular time.

I can only relate how this applies to developers and builders in my own area, because I researched it rather thoroughly there. We have four or five large developers whose only business is to buy raw land, service it, get agreements of a subdivision from the provincial government, and build on very few of those lots themselves and sell the majority of these lots out to other builders. We have in the Twin City area four large builders and 66 small builders. These builders buy anywhere from three, four, five lots at a time, up to 30 or 40 and in some cases, and maybe 50 lots at a time.

I am told by these builders that the nine-month period during which they must commence construction on 50 per cent of the lots, and the 18 months in which they are given to commence construction on all of the lots, is not a long enough period of time in which to do it. They say their operation will be greatly affected because of the limiting length of time in which they have to start construction. Many outside factors affect the speed with which they can develop these lots. First and foremost, of course, Mr. Chairman, is the mortgage market—how quickly they can obtain funds. Secondly, is the financial condition of the builder himself—how thinly he can spread his assets over five lots or 10 lots, as the case may be—and the size of the builder.

So we find that the builder has tied himself into an airtight agreement with the developer that if he doesn't get buildings commenced on those lots by a certain date he is going to be responsible for all the tax accumulated under this bill as designated land from the time the original developer bought the land and serviced it right through until the time it would be finally sold.

The outside circumstances which affect the small builder are many and they are varied. And he, because of the very size of his business, is very directly and quickly affected by the supply of money for mortgages, the supply of credit for his own business and also by the supply of tradesmen available and the market itself.

I would respectfully ask, Mr. Chairman, that the minister consider extending these times to a minimum of one year and two years. This period of time was told to me as being the absolute minimum whereby a small builder could give a covenant that he could develop all the lots that he usually buys.

If we find that the builders are going to be limited to these relatively short periods of time then several things will happen. First, the builder will be very cautious in the number of lots that he will buy from the developer, naturally this will have a chain reaction and the developer will not seek subdivision plans of approval as quickly as he would if he could peddle his lots more quickly.

So a small builder, instead of buying 12 or 15 lots for his quota for the next year or 18 months, is maybe going to have to cut back to six or eight. This, of course, will have an adverse affect on the number of houses put on the market.

That, Mr. Chairman, is something I would like the minister to give very serious consideration to. Perhaps he has had representation as I have had on this point, and perhaps he has had an opportunity to talk to developers and small builders on this point. Mind you, it certainly is a great improvement over the way this situation was handled previously. I must commend the minister on working out what I think is an excellent alternative to the original bill but I do wish he would give consideration to the shortness of time in which this agreement must be met.

Hon. Mr. Meen: Mr. Chairman, I understand what the hon. member is saying. I do know that some builder associations made representations to my ministry about the one- and two-year term—this was before I introduced the amendment, actually; it was during the course of the debate on second reading—they suggested the one- and two-year term for 50 per cent and for the balance of 50 per cent of the lots.

No one has come to me. It may be that others on my staff have had time to see and hear others who feel that the nine month and nine month proposal, as contained in section 21, is going to create too great a hardship. What I had sought to do here was to create a real incentive to get going with those houses. Nine months is a complete building season, by the advice that I have received. And so it seemed appropriate, at least for the current building season and for the one that follows, to have the nine month and nine month period, a total of 18 months. This gives two complete building seasons.

I have the feeling that the concern expressed by the hon. member for Waterloo—I'm sure it is expressed in all good conscience and good faith—I am confident that it will

not be borne out in practice. If it should turn out that builders are so apprehensive that they do not undertake sufficient commitments to complete the numbers of houses they would ordinarily complete, then obviously this would be counter-productive.

I thank him for his commendation on the section. It is, I quite concede, a vast improvement over the provision which we had earlier. I and my staff had not realized the inherent counter-productive nature of the provisions as they originally stood, requiring that the developer build a structure of some sort on house lots before he could escape the speculation tax. As I interpret it and as my colleagues see it, this section should overcome this and we would hope and expect that it is not counter-productive. But I hear what the member is saying and I can tell him that if it turns out that, in fact he is right and that it does become counter-productive then we will have to take another look at it.

The builders who would be presently negotiating with developers for the lots for the current building season have the whole of this summer and have had the whole of this spring within which to set about making their other arrangements. This period of time since the increase in the Bank of Canada interest rate has been less than optimum from the standpoint of obtaining mortgage financing. I guess that is a masterpiece of understatement. If there is ever a problem that the builders face right now I suppose it is in obtaining mortgage commitments.

Mr. Good: And they are not going to buy lots.

Hon. Mr. Meen: I would think if I were a builder I would not want to commit myself to the purchase of a number of lots, whether this Act were in place or not, in the face of the current mortgage situation. If we can assume that the mortgage companies will be freeing up their loans or that things will stabilize in that area so that some confidence will return to that market and where the lending institutions will put out their monies again, then I think that is the major impediment in the way of the builders. If mortgage money frees up then they will be able to say "Okay. We can get on with this business. There is probably an adequate supply of building blocks and of concrete and of the necessary lumber and bricks and roofing materials and plumbing and whatnot." That will encourage them to get on with the building.

If it should, however, turn out that as a consequence of these provisions they are still apprehensive to the extent of not getting into the activities at the same pace as in previous years, then I would have to take another look at these provisions of nine months and nine months.

Mr. Good: Mr. Chairman, there are several points I think the minister missed. First of all, builders don't work on a nine month building cycle. Most small builders keep their employees all year round and they are building all year round in one form or another. Either they are doing their finished carpentering or they get their foundations in, in the fall, and their framing up. Maybe they won't always get brick until the following spring. But most of the 66 small builders that I am talking about in our area try to keep a programme going all through the year. It doesn't work on a nine month basis.

Secondly, you don't get a release of plans of subdivision at any particular time of the year—the lots don't come on the market in the spring, particularly. A developer gets a plan of subdivision approved and he has maybe 95 or 100 lots in one approval to dispose of to the builders. By practice he can say, "Okay this one takes so many, and that one takes so many." They know who does the building in their subdivision.

Many times approvals have to be given by the developer of the area. There are strings attached by the developer as to what type of house will be allowed to be built in that particular area. What kind of alternate plans there can be on the street, left and right and what different types of finishing on the houses, so the street doesn't look stereotyped. All this has to be worked out with the individual builder after the lot is sold. It is not as simple as the minister may think, Mr. Chairman. I have spoken to these people—and I know many of them—and they say that nine months is just too short a period and 18 months is too short a period especially when you put on a builder—the agreeing person, as he is referred to in the bill—the obligation to assume the tax that would be payable if the land were sold otherwise and not under this section.

When that builder buys those lots and sees that tax hanging over his head if he doesn't get those 20 lots started within 18 months—if he has bought 20 lots—he is going to say, "I think I'll only buy 12 and make sure rather than run the risk of being liable for the tax." If he could hold on to them it would be all right. Mind you, if he goes to sell them and is speculating on them, sure,

he should be subject to tax but if he has bought them as a legitimate builder as he has been doing for years and years in our area he should be all right. Goodness knows, a small builder can't—well, no one can—get hold of any lots any more—the minister must surely realize this—unless you buy them through a large developer whose business it is to buy raw land and get registered plans of subdivision approved through the government.

I think, Mr. Chairman, the minister would be well advised to start off with a longer period if necessary and reduce it as the time goes by because I think you are going to find there will be an adverse effect. I'm sorry I don't have the figures of the number of homes being built to compare the four large developers, or the four large builders, and the 66 small builders.

I would think the 66 small builders are going to be more adversely affected by this than the large builders who have the financial capability of starting houses to a much greater extent than the 66 small builders. But I bet the 66 small builders make a tremendous contribution to the community in the number of houses they build.

I would certainly want the minister to give more serious consideration to prolonging this period of time so that we don't jeopardize these small builders who have been doing such a great job in providing houses.

Hon. Mr. Meen: I can't agree with the member more, in the sense of the contribution made by the small independent builders. The variety of home styles which occurs in subdivisions in which there has been a multitude of small builders is something we all enjoy. I don't like those subdivisions which have been put together by one builder alone, or by one developer generally, and I think that kind of activity is certainly to be encouraged.

All I would see happening is that the builder who might take on a commitment for 50-100 lots, figuring if he doesn't buy them this year or get a commitment from the developer to sell them to him this year, he might have to pay more for them next year and the year after that, is going to sit on them; in effect, he is speculating in those lots. Frequently these builders themselves will turn them over to somebody else at a little profit in a few months' time.

He can't do that in that fashion, though, under this. I am saying that this kind of provision will reduce the number of lots he takes on, at one time, to the number he can comfortably handle in that period of time. As long as he gets started during the nine months on the first half and gets started during the remaining nine months on the second half of the lots he has taken on, while he is working on the second part of that project he can be making a commitment with that developer or some other developer to take on some further lots in the normal rollover of inventory into finished houses and the sale of those houses.

I repeat to the member that if it should turn out that this is counter-productive, I'd have to take another look at it. I'd also say to him, though, that whereas he is suggesting one year and two years for this, and that I might want to cut that back sometime, I would suggest to him that it's an awful lot easier for me to extend it than it is for me to cut it back. It would be better to start off with the nine months and nine months, than to start off with a year and two years and then discover that this was having no effect along the lines we are seeking to accomplish.

Mr. Good: The line the minister is seeking to accomplish, Mr. Chairman, in my view is to prevent the builders from speculating on the lots he buys; so that he will not resell them or he won't sit on them to speculate. The bill prohibits him from reselling the lots without having to pay the tax so it's just a matter of whether you give him another six months and ease the apprehension which he will have when he goes to buy those lots.

There are many things involved in getting development ready on all these lots. We have discussed it before and I personally feel that the minister is making a mistake by not extending this to at least one year and two years. However, I have made my arguments and the responsibility rests with the minister.

Mr. Chairman: The member for Riverdale.

Mr. Renwick: I want to ask a couple of questions, if I may, of the minister. I am not going to go over and belabour what the member for Waterloo North has said so well about it and I don't pretend to be an expert in this field but I do want to ask a couple of questions.

One of the questions which has been raised, apparently, is a legal matter, as to whether a site-plan agreement would qualify as a sub-division agreement under the wording of the clause.

The second question I would like to ask is—what is the minister's conception of the

extent of servicing that would be required to satisfy section 21?

The third question—what is the magic of the agreement under seal that, as I understand it, is provided in section 21?

My next question — presumably there is going to have to be a very clear definition of the time of disposition and of the time of commencement of construction. Is this right?

And my last question is this—presumably the special lien would claim priority over the purchase-money mortgage taken back by a developer or transferor on the sale of the building lots, even though it may not take priority over the mortgage by way of loan for the purpose of construction. Is this right?

Hon. Mr. Meen: I am sorry, would you repeat your questions, please?

Mr. Renwick: Say that the developer-transferor sells the serviced lots to a builder-transferee, and takes back a mortgage, which is not a construction-money mortgage. And then the construction-money mortgage, of course, is used to construct the property and there are two mortgages involved. Would the special lien have priority over the construction-money mortgage and rank after it, but ahead of the mortgage taken back by the developer-transferor? Is that correct?

Hon. Mr. Meen: The last question first, Mr. Chairman. That's my interpretation of the way that would work, too.

The member asked about site-plan agreements. I don't think they are specifically referred to in section 21(1), but I can tell you that it had been my general expectation that a site-plan agreement would at least be contemplated in all of this, even though it is not a plan of sub-division.

Mr. Renwick: I raise the question simply for the purpose of drawing it on to the record, so that perhaps the minister, when he is giving consideration to the types of agreement, can look at a site-plan agreement which after all, in many cases, is not within the general purview of what we normally understand as a sub-division agreement.

Hon. Mr. Meen: That's right, and yet in some areas the site-plan agreement can be far more important than the sub-division agreement, and I think we would want to spell that out in regulations—

Mr. Renwick: You would want to define the sub-division agreement, presumably?

Hon. Mr. Meen: Right. And the hon. member asked about sub-division agreements themselves, or what constituted suitable improvements—the extent of servicing, I think was his term. It would be in substantial compliance with the sub-division agreement or the site-plan agreement, I suppose, in that sense. I don't think there is going to be too much difficulty about establishing that.

He mentioned agreements under seal. I have always been a little mystified, really, as to just when a document has to be under seal and when it doesn't. I think the Registry Act requires that documents be under seal in order to be registrable. I am a little hazy on that aspect of the law, I must confess, but that's the reason why I would expect that reference to have been included in the section.

Mr. Chairman: Shall the new section 21 then—

Mr. Renwick: The other questions were related to the importance of the definition of the time of commencement of construction—

Hon. Mr. Meen: Yes, I knew there was another question.

Mr. Renwick: —and the time of disposition.

Hon. Mr. Meen: The time of disposition would be established under one of our early sections where we have: "deemed disposition or whatever has occurred that has created the disposition."

"Disposition would include the sale, transfer, however effected, of any part of the beneficial interest, the sale, transfer, assignment of an option," and so on, the entering into a lease and so on."

I think it would be the date of that document as established under section 1(1)(d) where we get to definition of disposition.

Time of commencement is going to be something that we will have to determine by regulation or spell out. I think it is going to vary with the nature of the construction. I think, for example, in the construction of a conventional home—I myself would say that construction had commenced when the hole was in the ground and perhaps footings were laid out—

Mr. Good: Suppose there is a cement strike for six months?

Hon. Mr. Meen: I am sorry, would the hon. member repeat that before the microphone.

Mr. Good: This is very important, As you know, many building materials have been

in short supply. Right now, ready-mix cement is in very tight supply. This could very well delay construction for a month, six weeks, two months. This is the type of thing which also relates to the argument we were putting before.

Hon. Mr. Meen: Okay. But the prudent builder is not going to excavate the basement until he has got a commitment from the supplier of his concrete aggregate to provide the footings—

Mr. Good: That doesn't mean a thing if he doesn't get it.

Hon. Mr. Meen: —and he is going to have a delivery date for his block and his floor joists and so on, so that is all part of his schedule.

I think at this stage I would assume that we will define commencement of construction as being when there is significant evidence of intent by the builder to begin construction by way of seeing a hole in the ground, footings poured and perhaps the basement in course of construction.

You see assessors in my ministry constantly around in the subdivisions because they want to pick up the supplementary assessments for the purposes of records in my ministry and for tax purposes for the municipality. They would be advised by the builder that he had begun construction on certain lots on certain streets and they would drop around and take a look and could confirm through my ministry—then to him and his solicitor—that the lien was thereby waived and any steps necessary to clear the title for that purpose would then be taken.

I was going to say though, that there is another kind of problem which I envisage that concerns the subdivision for cottage lot purposes. I was advised when I was in Sault Ste. Marie a few weeks ago that the practice among many purchasers up there, where they have fairly expensive subdivisions for cottage purposes, is to buy a lot, go in and clear enough of an area to put up a tent perhaps, maybe enough of an area to burn brush, and then set about clearing the lot, burning all the brush, taking out trees as required to develop the site for the cottage. It may be a year or two years before that site is in a suitable state for even the placement of a single concrete pad at surface level.

I would mention to the hon. members that this is precisely the history of the construction of my own summer residence. After I took title, it took several years of clearing and camping on the site before I eventually began construction of the cottage building.

In that instance I think that our regulations, in order to be fair to these people, should be that commencement of construction will be deemed to have occurred when there is any evidence of intent by the purchaser to even start the clearing of a site. If you have an area for burning brush, that might well be adequate: evidence, to my mind, of the intent to begin construction so that the lien would be released at that point.

These are refinements in this area which I am going to have to work out in the ministry as soon as possible. I am sure there are going to be some people this summer who will want to be reassured that they don't have to start construction of a cottage property that's going to be their pride and joy over the years to come, within a nine-month period. That's something I can assure you I'll be giving immediate attention to.

Mr. Chairman: Shall the amended section 21 carry?

Section 21 agreed to.

Mr. Chairman: There's a new amendment to section 22. Has the minister placed this yet?

Hon. Mr. Meen: No, Mr. Chairman, I don't think I have any amendment to section 22, the new amended section 22. Section 22, as in the book, becomes 23 and that's been moved. The new 22 is before the hon. members now.

Mr. Breithaupt: We're content, Mr. Chairman, that it not be read since we have copies of the item.

Mr. Chairman: Thank you. Shall this motion carry then?

Mrs. M. Campbell (St. George): I would like to speak to this amendment, Mr. Chairman.

Mr. Chairman: The member for St. George.

Mrs. Campbell: I am very much appreciative of the minister's giving consideration to my concerns as expressed in my proposed amendment. Certainly in most areas this amendment goes beyond that which I had placed and for that I am very grateful.

There is only one area in which it limits what I had in mind and I would like some comment from the minister on this. I had referred to certain institutions and I would point out to the minister that under the

present law, a persons who is 60 years of age and handicapped can be admitted to a home for the aged. That situation is not covered.

I recognize the difficulty in trying to incorporate all of these things into the amendment but I do feel obliged to point that particular problem out, in the hope that the minister could give some consideration to it. I did speak to his officials, asking that they might advise him before I rose to speak, of my concern in this particular area, so perhaps he is prepared to discuss it now?

Hon. Mr. Meen: Mr. Chairman, to begin with, may I observe that it was as a result of the observations made by the hon. member for St. George that I directed my thought to the plight, if we can call it that, of some of our senior citizens who have reached the stage where, for whatever reason, they have to vacate the family home they've held for a number of years? They hope some day to return to it, whether they've gone to a hospital or whether they've gone into a nursing home or whether they've gone to live with a daughter or son-in-law or whatever.

I felt, in this section, that age 65 was probably a reasonable place to start. One could drop that age, but in doing so, one starts to increase the number of potential abuses. I can't imagine that there would be many anyway but there could be some.

I might say I also want to thank the hon. member for going to the trouble of speaking to my deputy and staff so that they were able to acquaint me with her concern, her further thought, on the 60-year-old who is crippled and, apparently under some circumstances, may be eligible for admission to a nursing home. The difficulty with that kind of thing, as I see it, is that it gets my staff and my ministry involved in assessment of certain criteria which are outside the purview of expertise that's normally within, or supposed to be within, my ministry. We can ascertain the age of an owner but we would have to go beyond that to determine whether or not they were otherwise qualified to be in a nursing home and were age 60 and so on.

Therefore, I have some reluctance about adopting that course of action, at least at this time. We could give further consideration to doing this by regulation and maybe in some fashion I could develop a provision that would permit the 60-year-old to qualify if I had a certificate from the Ministry of Community and Social Services, or however that works, and I don't know how that would work. But in some fashion that could confirm to us that the person qualified and was, in fact, a resident of a nursing home so as to permit the period to flow through. There may be a simple way to do it but this at least, I think, goes a long way toward accomplishing this end.

The couple whose children are grown and married and have flown the nest—the couple who perhaps might like to come back to their home some day but for health reasons find it a little tough to keep the windows cleaned and the shrubs trimmed and the grass cut and all the rest of it, and rather hankered to go into an apartment for a while—they might just like to have that base to return to some day if they find that they can't stand the cliff-dwelling life.

There are some who do his. Having made the mistake of selling their homes they find to their despair they can no longer afford to go back into another home. Or maybe they wisely kept it and found that it was a good thing to which to return at a later time.

So I think we have accomplished most of this. I would thank the member for helping us to make a better bill out of this. I think we will try this for the next few months to see how it works, and we might just be able to incorporate something by way of regulation when I am able to direct my attention and my staff's attention to it in the next few months.

Mr. Chairman: The member for Waterloo North.

Mr. Good: I have a question on the amendment, Mr. Chairman. Would this apply where the house, if it was his principal residence, was not sold until after the death of the former owner? If the property is transferred on terms of a will, would this apply?

Hon. Mr. Meen: Yes, this would apply then, to deem that to be the principal residence of the then testator, and so there would be no tax.

Mr. Chairman: Shall this new section 22 stand? Carried.

All right. Section 23 of the bill; that is, the new section 23 as renumbered, at the bottom of page 29. The member for Riverdale.

Mr. Renwick: Mr. Chairman, again I am not going to labour it. I have expressed my views about some aspects of the bill before. I am particularly concerned about the provisions of the regulatory power in subsection 2. I have no comment on subsection 1.

Mr. Chairman: Are there any comments on subsection 1 or can we dispose of that? The member for Kitchener.

Mr. Breithaupt: Mr. Chairman, I think that there are no particular problems with respect to subsection 1. We, of course, have generally viewed the provision of regulatory powers as one which should be jealously guarded by the Legislature. We feel that as much detail should be placed within a bill as is practical, and indeed possible, in order that the changes which regulations might develop from the manner in which the principle of the bill is discussed would be as small as possible. One presumes, though, that there is the necessity for various forms under this statute, perhaps more so than might be needed under other statutes that we have passed, and as a result we are prepared, with the caveats that I have given, to accept subsection 1.

Mr. Chairman: Shall subsection 1 carry? Carried. Now did I understand there are comments on subsection 2?

Mr. Renwick: Mr. Chairman, item (a) and item (k) are the ones which are of concern to me. Item (a) is one that we could not possibly tolerate in a taxing statute. To grant the government the power to exempt from tax "any designated land or class of designated land or exempting from tax any designated land with respect to which any disposition or class of disposition occurs," is a grant to the government of the power to do whatever it wishes to do with respect to the application of this tax.

The elementary principle of the drafting of taxing statutes is to have the provisions with respect to the tax in the taxing Act, and not to provide for provisions under which, for practical purposes, the government can do as and when it wishes to do with the taxing bill. There is no principle upon which it can be justified, and if the minister calls in aid any other taxing statutes of the Province of Ontario, or elsewhere in Canada, to support what he is doing, I can assure him that it will be totally and completely irrelevant for the purposes of this particular section.

My comments, with the same respect, apply for the gradual relaxation of the taxing provisions set out in item (k), where the government would have the ability to pass regulations:

> Providing for relaxing the strictness of this Act relative to the incidence of tax hereunder in special circumstances where, without such relaxation, inconvenience or hardship might result or the development of designated land might be impeded.

We are not prepared to permit that kind of leeway to the minister by way of regulation. The House will be in session for some considerable period of time now, throughout the month of June; we will be back in session, I understand, in September. If there are legitimate problems that would require amendments to the statute, then we should do it by way of amendment to the statute. But we are not prepared to countenance, for one single moment, the grant of those extensive powers. In line with the way in which we have dealt with this matter before, I assume we will deal seriatim with the items a through l of subsection 2 of section 23.

Mr. Singer: Mr. Chairman, subsection 2, section a, is a section which has no excuse, not only in any statute that comes before us, but particularly in a taxing statute.

The minister might just as well bring us a statute—let him call it whatever he wants—and all it needs is one section that says, the minister can levy in his discretion, or the Lieutenant Governor in Council, may make regulations taxing anybody for as much as they want any time they want. That, in effect, is what this kind of a regulatory provision allows. Let's listen to the wording for a moment:

> The Lieutenant Governor in Council may make regulations exempting from tax any designated land or class of designated land or exempting from tax any designated land with respect to which any disposition or class of disposition occurs.

So what the section really says is that no matter what else is in the statute, the Lieutenant Governor in Council may make regulations exempting anybody or any piece of land from the provisions of the statute. Now how, in all seriousness, in democratic Legislature, can a government ask for that kind of power?

It is an open invitation to lobbies and pressures—and I am not suggesting that the application of that section will be a corrupt one, but the possibility of corruption, the imagination that corruption has taken place, the suggestion, will be coming forward at all times every time a regulation is passed, into this section.

One could ask: "Why was the land owned by 'A' exempted, when my land and the circumstances are exactly the same and is

included?" What is the explanation? Maybe 'A' is a 17th cousin of the Treasurer. Probably being the 17th cousin, the Treasurer hasn't spoken to him for a 100 years, anyway. But if somebody should work out a devious relationship, such as that one—and there might have been some reason to exempt the 17th cousin White—how in justice can there be a reguation passed by the Lieutenant Governor in Council taking that kind of action?

What is the logic? What is the sense in giving that wide, broad kind of regulatory power? It doesn't relate at all to the provisions of the Act. It doesn't set down any guidelines. The Lieutenant Governor in Council will act on the representations made to him by the Minister of Revenue. And as these things work, as I understand how they work, the recommendation of the responsible minister is usually accepted by his cabinet colleagues.

And the minister comes here and say: "Don't worry. We have debated five weeks, and it is an imperfect Act, and it presents all sorts of difficulties. If we need changes, we will come back to you but in the meantime we need a clause drawn so broadly that we can exempt anybody we want at any time and for no reason from the tax we are intending to levy."

Mr. Chairman, my colleagues and I can see no way in which we can support a clause drawn in the manner this one has been drawn. Without gilding the lily I think the clause speaks for itself without trying to extend this debate any further. I just state that we will not support this section and we will divide the House at the appropriate time in committee in relation to this subsection.

Hon. J. White (Treasurer and Minister of Economics and Intergovernmental Affairs): What the hon. member has said may or may not be true and correct, sir. The fact of the matter is it would be absolutely impractical to delete this section. The workings of the legislation would be almost impossible without it. I draw your attention, sir, to the fact that the Income Tax Act of Canada was passed in 1910. The Act has never provided a definition of income for the very good reason that it is absolutely impossible to phrase a definition—

Mr. Renwick: First of all, it was passed in 1917 and it did contain a definition of income.

Hon. Mr. White: —so as to collect the appropriate taxes in accordance with the will and expressed wishes of Parliament.

Mr. Renwick: You are just in error. You are factually wrong.

Hon. Mr. White: I remind you, sir, that a year ago we passed—

Mr. Lawlor: He is fatuously wrong.

Hon. Mr. White: —the Parkway Belt Act, at which time the minister was empowered to exempt certain lands from that plan and, as a matter of fact, we have been called upon to accept that responsibility. The decision having been made, as enacted by order in council, the government accepts the responsibility for all those decisions and all those decisions are made public.

Mr. Renwick: This is unbelievable.

Hon. Mr. White: I am not completely sure of my ground now, but I think you will find that the bill which was passed by this Legislature a few weeks ago, namely, the Land Transfer Tax Act, would have contained a similar provision. Certainly I know that the departmental Act of the Ministry of Revenue under what used to be section 9 enables the Minister of Revenue to forgive any tax, to forgive an interest, to forgive any penalty and to cancel any court sentences which have been applied under Ontario statutes.

The departmental Act itself has powers far broader than this one, powers which I think have never been objected to.

Mr. Renwick: It's quite different. That is the exercise of—

Hon. Mr. White: These are powers which are seen to be absolutely essential by my friend from Lakeshore and other knowledgeable members who are expert in taxation complexities. I do hope, sir, that the Legislature will see this provision—

Mr. Renwick: You just make me shudder when you go through this kind of contortion.

Hon. Mr. White: —in the context which I have mentioned and I hope that it will be retained within the statute.

Mr. Renwick: This is unbelievable. Mr. Chairman, first of all the Income Tax Act of Canada wasn't passed in 1910. It was passed in 1917 with a predecessor Act in 1916. There was in that original Act a definition

definition of income. It is a taxing statute that we are talking about. What provision there may have been for regulatory power under the Parkway Belt Act has no relationship whatsoever to the principles with respect to the levying of taxation.

Mr. Singer: And that was opposed, too.

Mr. Renwick: The fact that it is possible to forgive taxes under the financial Act of the Province of Ontario has no bearing whatsoever on the provision that we are talking about which is a grant to the government of a complete power to exempt any transaction from the imposition of this tax.

Hon. Mr. White: That is published.

Mr. Renwick: I don't care whether you publish it or not. A taxing statute is not designed to provide the government, as distinct from the assembly and the laws enacted by the assembly, with the power to exempt people from tax or transactions from tax.

When you say to me that you have to have this section, or the bill won't work, then you finally admit the lesson of the whole debate that there is substantial concern throughout the province that the bill won't work in any event.

Hon. Mr. White: The lesson of the debate is that the opposition will do anything to pick up half a dozen votes no matter where they come from.

Mr. Singer: Oh, come on.

Mr. Renwick: This is quite ridiculous. For me to stand in this assembly and to have to listen to the Treasurer of this province use that kind of ridiculous argument shows that he has no conception of the principles of taxation in a democratic society—none whatsoever.

Interjections by hon. members.

Mr. Renwick: The taxes are supposed to be levied by the persons able to look at the statute. He doesn't go and look at the regulations. He looks at the statute to find out whether he is or is not subject to the tax. I am sorry at seven minutes to 6 o'clock to get exercised about it, but it is just ridiculous to have you enter the debate this way.

Hon. Mr. Meen: You complain when he doesn't get into the debate, and you complain when he does.

Mr. Chairman: The member for Lakeshore.

Mr. Lawlor: Mr. Chairman, we in the opposition—

Mr. Renwick: A mindless entry by the Treasurer into this debate at this 11th hour of the bill is just absolutely ridiculous.

An hon. member: No wonder he needs you to take it through the House.

Mr. Singer: Are you sure you didn't inconvenience yourself by coming in this afternoon?

Hon. Mr. White: If I am not here, it is because—

Mr. Singer: You should be here.

Hon. Mr. White: —I am working for the province and half the time seeing delegations sent to me by opposition members, so don't tell me that. If you think I am loafing then you have another think coming.

Interjections by hon. members.

An hon. member: You broke your amendments.

Hon. Mr. White: I will compare my number of hours of work to yours any old day of the week.

Mr. Chairman: The member for Lakeshore.

Mr. Singer: This is your bill and your mistake.

Mr. Chairman: Order please. Order please.

Interjections by hon. members.

Mr. Chairman: The member for Lakeshore has the floor.

Mr. Lawlor: —efficacy on one side or the other, equally a waste of time, breath and noise.

Interjections by hon. members.

Hon. Mr. White: And you be careful, or I will come here tonight.

Mr. Singer: That would be terrible. Don't threaten us.

Mr. Lawlor: Gentlemen, do we or do we not want to finish this bill?

Mr. Renwick: The Minister of Revenue must feel like wringing the Treasurer's neck. You know you were doing very well.

Mr. Chairman: The member for Lakeshore.

Mr. Renwick: With four divisions you would be home free.

Hon. Mr. Meen: I would like to put on the record that I welcome the entry of the Treasurer into this debate.

Mr. Singer: Yes. You would have welcomed it during the past five weeks, too, but he hasn't been around.

Mr. Chairman: Order please. The member for Lakeshore.

Mr. Renwick: Let the record show that the Minister of Revenue is delighted with the interjections of the Treasurer in this debate at the 11th hour.

Mr. Lawlor: Mr. Chairman, we have seldom had to labour, particularly in the opposition, so long and so strenuously to extricate any minister from such a plenitude of folly.

Hon. Mr. White: Don't you want a speculative tax?

Mr. Lawlor: Never have we been subjected to this sort of thing before. Having given you time and breathing space, here and there you have amended the Act rather plenitudinously —I think that is the word. Since we have abused the drafting of the Act throughout, I want to tell him, in case his spirits are hurt, that section 21 is extremely well drafted. I was quite taken with that particular section in its niceties, in terms of phrase, et cetera.

Hon. Mr. Meen: It is regrettable the draftsman is not here today.

Mr. Lawlor: But what does offend me, and I am sure offends the human mind, if you could roll it all into one ball, is subsection (j). That didn't strike me as a very normal—

Hon. Mr. Meen: On a point of clarification, are we on all the subsections of section—

Mr. Chairman: First of all, since it is a special section, we should complete it.

Mr. Renwick: But we are going to vote on subsection (a), as I understand it.

Mr. Chairman: I understand it is subsection (a) we are dealing with at the present time.

Mr. Lawlor: Just subsection (a)?

Mr. Chairman: Yes, please. Does the hon. member for Lakeshore have comments on subsection (a)? Does the hon. minister have a reply?

Hon. Mr. Meen: Yes, I have some observations to make on that subsection, Mr. Chairman, on a suggestion made by some of the hon. members opposite that it was a unique kind of section. The member for Downsview keeps talking about this being a taxing statute, and what an outrageous performance it is to have a subsection like subsection (a) of section 2.

Interjection by an hon. member.

Hon. Mr. Meen: I would draw to his attention the fact that I didn't hear much argument when we talked about the Land Transfer Tax Act, and I am looking at section 18, subsection 2(a), and section 18—

Mr. Renwick: The language is quite different. Now, let's not fool anybody. The language is quite different.

Hon. Mr. Meen: I might just quote it. It says the Lieutenant Governor in Council may make regulations exempting from tax any person tendering for registration a class of conveyance, and so on—and I might ask, any class of conveyance?—

Mr. Singer: A class of conveyance.

Hon. Mr. Meen: —to which it is determined that this Act is not intended to apply on any conveyance to persons prescribed for the purpose of this clause.

Mr. Renwick: Not intended to apply.

Hon. Mr. Meen: I suggest to the hon. members that the appropriate wording in subsection (a) of subsection 2 is essentially the same thing.

Interjections by hon. members.

Hon. Mr. Meen: We have analogous provisions in the Retail Sales Tax Act and the Gasoline Tax Act. Of course it is in every taxing statute.

Mr. Renwick: Of course it is not.

Hon. Mr. Meen: I might just take a look at section 246 of the federal Income Tax Act, for example.

Interjections by hon. members.

Mr. Chairman: Order please. Order. The minister has the floor.

Hon. Mr. Meen: Look at the kind of provision the Income Tax Act of Canada has in section 246, subsection 1. It says:

> Where the Treasury Board has decided that one of the main purposes for a trans-

> action or transactions effected before or after the coming into force of this Act [How do you like that? "Before or after coming into effect" even?] was improper avoidance or reduction of taxes that might otherwise have been payable under this Act, the Income Tax Act or the Excess Profits Tax Act, 1940, the Treasury Board may give such directions as it considers appropriate to counteract the avoidance or reduction.

How about that for power, for goodness' sake?

Mr. Renwick: We argued about that last night.

Interjections by hon. members.

Hon. Mr. Meen: I am suggesting that here the hon. member for Downsview says you have to know what your tax liability is and look at the authority it gives the minister to tax. I say that's not the case at all; the provisions for liability for tax are clear in other sections of this Act. This subsection gives authority to exempt from tax; not to apply a tax but rather to exempt from tax, or the attraction of a tax liability.

Mr. Renwick: We dealt with avoidance last night.

Mr. Chairman: Order, please.

Hon. Mr. Meen: It certainly is clear that over the next few months, when we are applying this tax, there may well be instances in which this kind of authority is necessary in order to avoid an unjust application of the tax. If that is so and if, in the wisdom of my cabinet colleagues who would approve this regulation as the Lieutenant Governor's order in council, such order would be made, it would be published and it would be there for the scrutiny of all.

I recognize that it is broad in its power but I also say to the hon. members, through you, Mr. Chairman, it is an essential ingredient to the application of this Act, as my colleague, the Treasurer, so well put it a few minutes ago.

Mr. Chairman: Shall subsection (a) then stand?

Mr. Singer: No way.

Mr. Renwick: I think I am going to filibuster now until 6 o'clock.

Mr. Singer: Would you call it 6 o'clock?

Mr. Renwick: The one thing I really don't want to do is to walk up and down these corridors from 6 to 7 o'clock while the Tories come in and I miss my dinner.

Would you call it 6 of the clock?

Mr. Chairman: Will there be further discussion on other subsections of this bill?

Mr. Renwick: Yes, there will be, because we have similar comments on them.

It being 6 o'clock, p.m., the House took recess.

APPENDIX

(See page 2648)

Answers to questions were tabled as follows:

8. Mr. Young—Inquiry of the ministry: Will the Minister of Agriculture table:

1. The total number of live and dead (a) cats; (b) dogs; (c) other animals, supplied by Ontario pounds to research facilities registered under the Animals for Research Act, 1968-69; the names of those persons operating, or employed by, Ontario pounds including pounds operated by any humane society who have supplied live or dead cats, dogs and/or other animals to registered research facilities; and the names of the operators of the registered research facilities who received the animals so tabled; according to records required by O. Reg. 139/71, section 12, subsections 2 (e) and 3 (b), since the inception of the Animals for Research Act to date;

2. The nature of all procedures used and the level of pain inflicted on animals, supplied by persons operating or employed by Ontario pounds, including pounds operated by any humane society, in connection with research or teaching projects conducted at registered research facilities since the inception of the Animals for Research Act, to date, according to records required to be filed under said Act, section 21, subsection (3);

3. The total number of live and dead (a) cats; (b) dogs; (c) other animals, supplied by licensed supply facilities to registered research facilities under the Animals for Research Act; the names of the operators of those supply facilities who have supplied live and dead cats and dogs or other animals to registered research facilities; and the names of the operators of the registered research facilities who received these animals; according to records required by O. Reg. 139/71, section 12, subsections 2 (e) and 3 (b) since the inception of the Animals for Research Act to date;

4. The nature of all procedures and the pain level inflicted on animals, supplied by persons operating registered supply facilities, in connection with research and teaching projects conducted at registered research facilities, since the inception of the Animals for Research Act to date, according to records required to be filed under said Act, section 21, subsection (3)?

Answer by the Minister of Agriculture and Food:

The information requested is on file with the various research facilities throughout the province and is accessible to the inspectors of our veterinary services branch. However, to reproduce the information requested in the series of questions on the order paper would involve the photostating of a tremendous volume of such records and reports and the tabling thereof. The government is therefore not prepared to provide this information in the form requested.

However, if the member would be more specific with respect to a particular project or projects in a particular facility, we would undertake to secure the information required. Furthermore if the member requests it, he may accompany our inspector to a specific facility where he may view the reports on file there.

19. Mr. Haggerty—Inquiry of the ministry:

1. Is the Ministry of Health currently carrying out medical research and examinations of employees who are employed in related industries in Ontario using the process of polyvinyl chloride chemical?

2. Is the ministry presently carrying out examinations of employees of the B.F. Goodrich plant, located in Niagara Falls, Ont.?

3. Has the ministry completed any studies or research on occupational health studies of the possible risks of Angiosarcoma of liver and kidneys of employees exposed to vinyl chloride?

4. Has any consideration been given to the possible health hazards for the general public from the many number of consumer products that are made from vinyl chloride?

Answer by the Minister of Health:

1. The Ministry of Health is aware of the health problems that may arise in the manufacture of the monomer vinyl chloride. No instance has been brought to our attention in this province. All workers are examined periodically by the company on our recommendations.

2. The B.F. Goodrich Co., Niagara Falls, is responsible for measures to protect the health of its employees at work. Medical examinations are done by the company.

3. The Ministry of Health is not carrying out any occupational health studies of workers exposed to vinyl chloride.

4. The products manufactured from the monomer vinyl chloride are in the polymerized form and have been considered innocuous when used under normal conditions for the purpose intended. We are not aware of instances of a product used by the consumer having a detrimental effect on health.

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No. 64

Ontario

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

Thursday, May 30, 1974

Evening Session

Speaker: Honourable Allan Edward Reuter
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

The House resumed at 8 o'clock, p.m.

LAND SPECULATION TAX ACT
(concluded)

On section 22:

Mr. Chairman: Order, please. When we rose at 6 o'clock we were discussing subclause 2(a). Are there any further comments on this?

Shall this subsection stand as part of the bill?

Mr. V. M. Singer (Downsview): Oh, no way.

Mr. Chairman: All right. Those in favour of subsection (a) standing as part of the bill will please say "aye."

Those opposed will please say "nay."

In my opinion the "ayes" have it.

Shall we stack this?

Mr. Singer: No, we are not stacking.

Mr. Chairman: Can we not stack it with some of the later sections?

Some hon. members: No.

Mr. Chairman: Call in the members.

The committee divided on whether subsection 2(a) of section 23 should stand as part of the bill, which was approved on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 40, the "nays" 19.

Mr. Chairman: I declare the motion carried.

Subsection (b). The member for Kitchener.

Mr. J. R. Breithaupt (Kitchener): Mr. Chairman, my comments are on subsection (g). It may be that the other subsections may well pass—

Mr. Chairman: Anything before (g)—(b), (c), (d), (e), (f)? All right, subsection (g), then. The member for Kitchener.

Mr. Breithaupt: I would like some information from the minister as to the persons he intends to designate with respect to this subsection. We realize, of course, that the minister will not be the one who is dealing with each and every one of these applications, but we are concerned as to the qualifications and responsibilities of the persons who will be given this authority. I would like the minister, if he would, to advise us as to how he sees the classification of people who are going to be given this particular authority. Can he advise us of what he expects their duties will be and how many might be involved? Can he give us any general view of this?

Hon. A. K. Meen (Minister of Revenue): Yes, I can give you a few ideas. I would expect, Mr. Chairman, that the registrars of deeds and their deputies and some of the senior people in the registry offices, will be given authority formally to approve documents on my behalf, in my name, and the name of the ministry. I expect that within my ministry some number of people will be authorized to investigate and to examine documents submitted by applicants for approval. If they find them in order, presumably they will be filtered through maybe to a supervisory officer at another level for formal approval again—

Mr. Singer: Don't go, John, we may need you.

Hon. Mr. Meen: —on behalf of the minister. I can't say at this stage what numbers of people would be involved in the actual execution of those releases. That will have to be worked out as we work out the regulations and the actual mechanics of the handling of the many applications that I expect will come through the ministry channels in the months ahead.

Mr. Breithaupt: I think, Mr. Chairman, to take an example in my own particular registry office in Waterloo North, the registrar and his deputy in one of the fastest growing and busiest areas of the province certainly have substantial duties to perform at the present time. One might well expect that you are going to have to require some increment in staff and persons of a somewhat

senior level who are quite well versed in procedures to have this matter work out.

Have you made any provision now for increases in staff that will be either placed on strength directly as the present staff now is in the registry office, or will be placed as an increment to your own staff to be seconded to the registry offices or the other areas where they are going to be needed? How many more staff persons might you expect to require at the moment and have you made provision for obtaining them?

Hon. Mr. Meen: Mr. Chairman, our estimate is approximate only at the moment. I anticipate that the administration of this work may take two or three dozen competent personnel. Many of them will come from within the assessment ranks of the ministry as that work winds down. As for the actual numbers we will wind up with, I don't think the member is really talking about that end of things so much as the inspection of documents and the approval of submissions.

It is a fairly complex mechanism, if he understands that within all of this function is not just the establishment of values of real estate as of a certain date and the increments of value that may have been added in as allowable under maintenance costs and that sort of thing, but a number who must be capable of evaluating and establishing the validity of the documentation submitted.

Then, as that filters through, I would expect perhaps half a dozen within the ministry who would have a supervisory capacity to be the ones with the final approval of the various releases and the documentation that would go forward under the name of the minister. Again, this is very approximate in my estimations now because I am not fully conversant with the way in which we would expect this all to work out.

I think over the next few months we are all going to have to expect some variation and some sophistication in the way in which this will work. My staff tell me there are 32 different staff offices for assessment in which these matters would be dealt with. To that extent and in that end of the activity there would probably be upwards of 32 or more different personnel who would by actual designation by name or by rank or office have the authority to do this.

You will notice under this section that it is broad enough to cover a designated officer or class of officers. It is the intention to have it in those two categories so that you can actually designate a person or you designate a class of officers or persons to handle the work.

Mr. Chairman: Subsections (g), (h), (i) and (j) agreed to.

Mr. J. A. Renwick (Riverdale): On subsection (k) I have expressed my views to the minister in the ecumenical spirit which has permeated this debate right from its inception. I am not prepared to call a vote on this particular item, provided the minister promises tonight to read my remarks earlier in the day on the strictures which I made on this particular section of the Act. But in that ecumenical spirit we will not call a vote.

Mr. Chairman: The member for Prince Edward-Lennox.

Mr. J. A. Taylor (Prince Edward-Lennox): Mr. Chairman, I rise to commend the minister on this particular clause. It reads:

> The Lieutenant Governor in Council may make regulations providing for relaxing the strictness of this Act relative to the incidence of tax hereunder in special circumstances where, without such relaxation, inconvenience or hardship might result or the development of designated land might be impeded.

Mr. Renwick: This is known as the "Family Compact" provision.

Mr. Taylor: I think this permits the ministry to inject some of the milk of human kindness in those areas—

Mr. Singer: Oh, come on. Come on!

Mr. G. Nixon (Dovercourt): Oh, you had your say.

Mr. Taylor: —in those areas where I was quite disturbed that hardship might work to the detriment of many innocent persons of Ontario.

Mr. Singer: Isn't that awful? Shame on you. I thought you had a little intelligence.

Hon. J. R. Rhodes (Minister of Transportation and Communications): Where did you have lunch?

Mr. Chairman: Order, please.

Mr. Taylor: You might consider this a laundering section to clean up the Act, and I think it might very well be used for that purpose; and I can see where it could take care of many of the deficiencies of which I was concerned.

Mr. Chairman: The member for Downsview.

Mr. Singer: Mr. Chairman, I don't know how anyone can read subsection (k) and really accept it as some serious part of a taxing statute. Let's listen to what it says:

> The Lieutenant Governor in Council may make regulations providing for the relaxing of the strictness of this Act relative to the incidence of the tax hereunder in special circumstances where, without such relaxation, inconvenience or hardship might result or the development of designated land might be impeded.

Can you imagine anything more ludicrous, more self-seeking, more self-serving, than a section such as that in a taxing statute, where inconvenience of the taxpayer might be sufficient to allow the Lieutenant Governor in Council to remit the tax? What kind of nonsense is that?

Can the minister really get up and justify the thought that he should have the power, or that he and his colleagues should have the power, to say, "My good friend Joe has been inconvenienced and we are going to remit the tax"? Or they'll remit part of it. Or it may be that, "Bill is not going to be able to develop his land, but Oscar should, and so we are going to remit Oscar's tax but we are not going to remit Bill's tax." How do you do it? What is the test?

How, in honesty, in sincerity or in objectivity, or within any keeping of parliamentary process, can the minister in good conscience come to us and say, "Give me this kind of power. Give me the kind of power that will permit me to say that if someone is inconvenienced we can remit his tax"?

What is inconvenience? Is inconvenience that it is embarrassing to pay the tax, that you don't like to pay the tax? I am sure the Chairman of the Management Board doesn't like to pay taxes any more than I do; and if we go to the minister wtih long faces and say, "It is a terrible inconvenience that we should have to pay the tax—"

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): That's when you won't get it back.

Mr. Singer: Well, maybe. That's the power that you are asking for.

Hon. Mr. Winkler: We'll double it on you.

Mr. Singer: Well, all right. It may be that you'll be more successful than I until the fall of 1975; after that no more. It may be that you will be more convincing up to October of next year, but, seriously, is that any test? Is it reasonable and logical that this Legislature should empower the ministry to say we are going to remit a tax because it is inconvenient? What does it mean? What is inconvenience?

Mr. Taylor: This could rectify all your objections.

Mr. Singer: Does inconvenience mean we haven't got enough money in the bank? We are not as rich as the member for Prince Edward-Lennox, who I think feels he has got a call. He is preaching for a call. There is about to be a ministry vacant; and if he can support the ministry, maybe somebody is going to hear and maybe he might be the Minister of Labour.

Mr. Taylor: Surely you are intelligent enough to understand that this can cure all your objections?

Mr. Singer: The member for Prince Edward-Lennox had a little independence in the earlier hearings of this bill. Tonight he is defending the indefensible. Mr. Chairman, this is as indefensible a section as I have ever seen in any statute. The government says, "Let us remit its implications if it is inconvenient." There is no way that any honest member of this Legislature can vote in support of that. My colleagues and I are not going to vote in support of it.

Mr. Taylor: It injects hope.

Mr. Chairman: Shall section (k) stand as part of the bill? The member for York Centre.

Mr. D. M. Deacon (York Centre): Is there any precedent in taxing statutes whereby the Lieutenant Governor in Council may make forgiveness of this sort that might cause the inconvenience of taxpayers? I have never heard of such discretion. I thought that when it was a tax, it was a tax, and it is an obligation upon the taxpayer to pay it. Could the minister explain to us the basis for his thinking here?

Hon. Mr. Meen: I cannot tell the hon. member whether there is any other section identical to subsection (k).

Mr. Singer: Because there isn't—except in South Basutoland.

Hon. Mr. Meen: Will the hon. member for Downsview just pipe down and let me

talk for a minute? I was polite enough while he was speaking.

Mr. Singer: Explain it. Explain this nonsense.

Interjection by an hon. member.

Hon. Mr. Meen: There is no comparable kind of legislation to this taxing statute, and what we do not want to do above all—

Mr. Singer: It is in South Basutoland.

Mr. D. C. MacDonald (York South): You are right on that. There is no comparable statute elsewhere.

Hon. Mr. Meen: All right. At least, the hon. member for York South and I are in agreement on one thing. One of the difficulties is, of course, that we do not want this legislation to be counter-productive.

I think we could have grouped subsection (k) with subsection (a) which is even broader, so if we passed (a) I don't know how any hon. members could complain about subsection (k).

Mr. M. Cassidy (Ottawa Centre): We were complaining about (a) as well.

Hon. Mr. Meen: I would point out also that regardless of how broad in authority subsection (k) may sound, the fact of the matter is that the Lieutenant Governor's orders in council are published for all to see—

Mr. E. R. Good (Waterloo North): After the fact.

Mr. Singer: Nonsense. After the fact.

Hon. Mr. Meen: —and there would have to be some mighty good reasons for anything to fall under subsection (k) before any such exemption as that would be granted.

Mr. P. G. Givens (York-Forest Hill): Give us an example of inconvenience.

Mr. Chairman: Shall subsection (k) stand as part of the bill?

Some hon. members: No.

Mr. Chairman: Those in favour of subsection (k) standing as part of the bill will please say "aye."

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

Shall we stack this with any possible future votes?

Mr. Singer: We are not stacking it, no. There is nothing to stack it with.

Mr. Chairman: Call in the members.

The committee divided on whether subsection 2(k) of section 23 should stand as part of the bill, which was approved on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 37, the "nays" 21.

Mr. Chairman: I declare the subsection to stand as part of the bill.

Subsection (l).

Subsection 3.

Mr. M. Shulman (High Park): What about (l)?

Mr. Chairman: I just asked about (l).

Mr. Shulman: We didn't hear you.

Mr. Chairman: Is there a comment on (l)?

Mr. Shulman: I think so. I missed (k) unfortunately; I had an hour's speech on that one. On (l), how can you possibly bring in (1) here which says, "If we left something out of the Act we don't have to come back and amend the Act, we can just put it in the regulations"? Surely the minister should be embarrassed to bring in a provision like that. If you've left something out of the Act, amend the Act. You can't give yourself broad regulations that allow you to do everything.

Mr. MacDonald: Oh, yeah!

An hon. member: You weren't here this afternoon.

Interjections by hon. members.

Mr. Shulman: I would have liked to have been. Unfortunately, I missed it. If by some impossible error—I can't really see how it could have happened—if by some terrible mischance there's something in the bill that isn't quite perfect, something he's left out, will the minister explain why he can't come back and amend the bill so it can be discussed by the opposition if there's an error in it—and why he wants this absolute power to be the tsar?

Mr. Taylor: You are just being facetious.

Hon. Mr. Meen: Mr. Chairman—

Mr. Chairman: Order, please.

Hon. Mr. Meen: It's regrettable that the hon. member missed the debate on the other subsections, because this might be said to be the string that ties the package. It's the omnibus section which provides for anything that might be necessary to be included. We

don't know if we'd ever have to rely on this section, but when we're involved with new legislation like this—

Mr. Singer: You don't really need to. If it is convenient you can change it.

Hon. Mr. Meen: It's essential that it be included. And I would just remind him, as I reminded other hon. members, that this is still pursuant to an order by the Lieutenant Governor in Council, which is public.

Interjections by hon. members.

Mr. Shulman: The Lieutenant Governor never refused you gentlemen anything. Can the minister tell me why he objects to coming back to this Legislature, which presumably has some influence in this province, and asking us for the amendments?

Hon. Mr. Meen: The House might not be sitting, Mr. Chairman.

Mr. Shulman: Did the minister ever think that if it was an emergency, he could call the House back? What about that possibility?

Hon. Mr. Meen: No. No way.

Mr. MacDonald: This whole bill is an emergency.

Mr. Chairman: Shall subsection (l) stand as part of the bill?

Mr. Shulman: I'd like to ask the minister—

Interjections by hon. members.

Mr. Chairman: Order, please.

Interjections by hon. members.

Mr. Chairman: We can't even hear the hon. member for High Park.

Mr. Shulman: Yesterday — gentleman, gentlemen, calm, calm!

Mr. Taylor: Why don't you self-destruct?

Mr. Shulman: I get the Chairman of the Management Board settled down and you people have become eruptive.

Hon. A. Grossman (Provincial Secretary for Resources Development): The member wants a quorum, doesn't he?

Mr. Shulman: Not on that side.

Hon. Mr. Meen: You'll lose your own troops though.

Interjections by hon. members.

Mr. Shulman: Can the minister tell me, as I know he does everything by precedent and I can't recall seeing a section like this in any other bill, are there subsections in other bills? Can he give me a for instance?

Hon. Mr. Meen: I am surprised the hon. member would ask.

Mr. Shulman: Well, I am asking. Does the minister know of any other bill that has such a nutty provision?

Hon. Mr. Meen: I have no precedent in mind at the moment, Mr. Chairman.

Mr. Shulman: Mr. Chairman, at least in the other foolishnesses he has always been able to find a precedent. Some of them were back to Magna Carta times.

Hon. Mr. Meen: There has always got to be a first time.

Mr. Shulman: Some of them are back in Magna Carta times, but here he had to use the Gasoline Tax Act in it.

Hon. Mr. Meen: Oh, probably.

Mr. Shulman: Here we come to a section where he says, "If we left something out, don't worry fellows, we'll put in the regulation."

Mr. W. Hodgson (York North): We'll look after you.

Mr. Shulman: There is no precedent that he can quote.

Hon. Mr. Meen: Oh, I may have one. Who knows?

Mr. Shulman: I should think the minister would be embarrassed.

Hon. Mr Meen: I am not really

Mr. Singer: No.

Interjections by hon. members.

Hon. Mr. Meen: The hon. member never paid any attention when I did produce a precedent.

Interjections by hon. members.

Mr. Shulman: I see that I am not making much impact.

Hon. Mr. Meen: No, you are not.

An hon. member: Sit down.

Mr. Shulman: I will conclude my comments on this section by saying the minister

is wrong here. He's been wrong in every other section and it is all going to come back to haunt him.

Hon. Mr. Meen: Oh, rah, rah, rah!

Interjections by hon. members.

Mr. Cassidy: Mr. Chairman, on subsection (l), the minister is sitting there with a vacuous grin on his face, saying that he doesn't mind that there is no precedent, this is the way he wants to do it, the House might not be sitting and so on.

What he is saying affects not just this particular bill but the whole principle of the way in which this place works as a Legislature.

Hon. Mr. Meen: We hadn't noticed.

Interjections by hon. members.

Mr. Cassidy: It does, you know. As the minister expressed it in his clause, it means that from now on you might as well forget having any Legislature at all.

Interjections by hon. members.

Mr. Taylor: Stick to the clause.

Mr. Cassidy: What it means quite simply is that the Minister of Revenue and friends can bring in a bill that says from now on by order in council—

Mr. Taylor: Stick to the clause.

Mr. Cassidy: I am sticking to the clause.

Interjections by hon. members.

Mr. E. M. Havrot (Timiskaming): Where have you been for a couple of hours?

Mr. Cassidy: The clause says any regulations that are considered necessary for the purpose of carrying into effect the—

Mr. Havrot: Do us a favour and sit down.

Mr. Cassidy: What does the member for Timiskaming mean by that?

Mr. Havrot: Just what I said.

Mr. Cassidy: Okay. Let it go on the record that the member for Timiskaming simply has no understanding of what parliamentary democracy is all about. That's right. As far as he is concerned, the rule of law could go right out the window. Everything we have worked for, for how many centuries, goes out the window. That's right.

Interjections by hon. members.

Hon. W. A. Stewart (Minister of Agriculture and Food): Look who is talking. The halo of the member for the islands is slipping.

Mr. Havrot: The member talks about an abuser of parliamentary democracy. He is the worst abuser in this House.

Mr. Cassidy: Anybody who would support a clause which says that in future the minister does not need to come back for legislation to Parliament, is abusing parliamentary democracy. And, that is exactly what is being done in this particular section.

Mr. Havrot: Such a big hero!

Mr. Cassidy: The minister himself has said the House might not be sitting and "therefore we will do it." There is no assurance from the minister that he would come back to the House, even if the House was sitting.

Mr. W. Hodgson: Why doesn't the member grow up?

Mr. Cassidy: This is an abuse. This abuse goes far beyond this particular bill. This section should not be permitted to go into the Act and no right-thinking member of the Conservative backbench should permit it. You should be talking to your minister, to your House leader (Mr. Winkler), to your Treasurer (Mr. White) if he were here right now and saying we cannot have this and the only way this thing should work is that the Legislature should decide if fundamental changes are going to be made on the bill. Maybe the minister wants to answer; he has got such a vacuous grin on his face.

An hon. member: Carried.

Mr. Shulman: We are not carrying it yet.

Hon. Mr. Meen: Just before we carry that, Mr. Chairman, I might just add that I must confess to having baited the opposition just a little bit, because if they care to refer back to the Land Transfer Tax Act which we passed two or three weeks ago—

Mr. Taylor: Don't do that.

An hon. member: A month ago.

Hon. Mr. Meen: —it has almost exactly the same section. It covers the same matter in any event in section 18, subsection (h) which says, "respecting any matter necessary and advisable to carry out effectively the intent and purpose of this Act." That kind

of provision is, I expect, in all our taxing statutes.

Mr. MacDonald: It was an equally bad bill.

Mr. Shulman: Mr. Chairman, I'd like to ask the minister one or two questions on this particular section.

Mr. J. M. Turner (Peterborough): Again?

Mr. Shulman: It is my understanding, and correct me if I'm wrong, that regulations are strictly limited. I'm not sure whether by federal law or provincial law, but are not the regulations strictly limited as to their scope?

Mr. Singer: Yes.

Mr. Shulman: Then how can you possibly put in an omnibus section like this? Aren't you breaking your own laws?

Hon. Mr. Meen: Regulations are limited to the authority accorded in the Act.

Mr. Cassidy: The authority in this Act is objectionable. It is far too broad.

Mr. A. J. Roy (Ottawa East): You can never tell whether it is or not, though.

Mr. Shulman: I asked the chairman. Perhaps you can advise me—you can't advise me—all right, through the chairman to the government, is there any Act in this province that sets out the power of regulations in general? Can anyone help me on that?

Mr. Roy: The Regulations Act.

Mr. Shulman: Is there a Regulations Act?

Hon. Mr. Meen: Sure.

Mr. Shulman: Does the Regulations Act not strictly delineate the power of regulations?

Mr. W. Hodgson: No more millionaires.

Mr. Shulman: Question?

Hon. Mr. Meen: If the hon. member will sit down, I will stand up. Sure, it sets it out and it provides that the regulations must be within the scope of the regulatory authority accorded by the Act under which the regulation itself is passed.

Mr. Shulman: Just so I can be educated, can you tell me what section that is?

Hon. Mr. Meen: No.

Mr. Taylor: Don't educate him.

Mr. Shulman: Do you know? Does anybody knows?

Mr. W. Hodgson: Don't you know?

Mr. Shulman: I will send for a copy. We will be back.

Mr. Chairman: Shall subsection (l) stand as part of the bill then?

Mr. Cassidy: Mr. Chairman, I happen to have the Land Transfer Tax Act here and there are some important differences between the omnibus section of the regulations in that Act and the ones proposed here.

In the Land Transfer Tax Act, subsection (h) of section 18(2) states that "the Lieutenant Governor in Council may make regulations respecting any matter necessary or advisable to carry out effectively the intent and purpose of this Act."

That is the way that the legislation and the legislative practice have grown up. It is understood that there are two or three purposes of that particular Act, which imposes a 20 per cent tax on transfers by non-residents and a smaller tax on transfers between residents. That particular section is within the traditions that have been existing in this House. It's objectionable maybe. It may be broader than it needs to be, but it is different than the section which has been written into Bill 25, the Land Speculation Tax Act, in this respect. I'll read this one into the record as well.

The omnibus section for regulations that we are considering now under subsection (l), Mr. Chairman, states that "the Lieutenant Governor in Council may pass regulations that are considered necessary for the purpose of carrying into effect the provisions of this Act according to their intent." As far as that goes, that is comparable to the power—

Mr. Taylor: Finish it. Read the whole thing.

Mr. Turner: Read the rest of it.

Mr. Cassidy: —that was given under the Land Transfer Tax Act and which I believe has been given under Acts as well by this Legislature.

Then it goes on and states: "and of supplying any deficiency therein." Could the minister tell us what is meant by that phrase "supplying any deficiency therein"?

Hon. Mr. Meen: Sure. There may well be a necessity, for example, to interpret further the definition that was set out in the Act. It may be that the definition is incomplete.

It would be that kind of authority that would be accorded under subsection (l)—for example, since he wants an illustration, I'll give him one—to elaborate upon a definition within an Act.

Mr. Cassidy: The power to make definitions is already included in the Act under subsection (j) which we passed just a few minutes ago, so it would not seem to be necessary to have this omnibus section.

Could the minister give us another example of a deficiency that might be needed to be filled under the provisions of subsection (l)?

Hon. Mr. Meen: Mr. Chairman, if I could I think I'd have put it in the Act in the first place.

Mr. Chairman: Shall subsection (l) carry?

Mr. Singer: No.

Mr. Cassidy: I beg your pardon?

Hon. Mr. Meen: Mr. Chairman, I will repeat it. I said if I could give the hon. member such an illustration, I'd have tried to build it into the Act in the first place.

Mr. Cassidy: The problem then comes if the minister has put this in for something that he cannot anticipate. After this debate and after the work that has been carried on and after presumably the work of his advisory committee of people who expect to be hit by the Act and, therefore, will be advising the minister about the Act, clearly a good deal of thought, one assumes, has gone into looking into problems that might exist for the Act.

What we are saying is that it's wrong that this kind of omnibus open doors to be left for the minister to "supply any deficiency therein" simply by getting an order in council from the cabinet without recourse to the Legislature. The point is that there is no limitation that any deficiency found therein has to be within the intent of the Act as people understand it here. There is no restriction like that at all. The minister is permitted to pass regulations that are considered necessary to carry into effect the provisions of this Act according to their intent.

Since that is spelled out in the earlier part of the subsection, clearly the reference to supplying any deficiency in the Act includes any deficiency which is in the mind of the minister, the mind of the government, but is not in the intent of the Act as it's being passed tonight.

That's why this subsection is so objectionable and so unparliamentary. That's why it leads members on this side of the House to bear memories of legislation passed in other parliaments and chambers which has simply given omnibus powers — blanket powers—to governments to do anything they wish without recourse to the Legislature. And that is why this is simply unacceptable. Will the minister redraft this particular subsection to take out the last six or seven words?

Hon. Mr. Meen: Mr. Chairman, this is a common provision. My advisers tell me that it's to be found in all our taxing statutes in one form or another. The reference I made to the Land Transfer Tax Act was a very close one and it happened I had a copy right in my file. There are others, I am told, that are virtually on all fours with this, including the last few words, and I would not be prepared to remove them at this time.

Mr. Chairman: Does subsection (l) stand as part of the bill?

Mr. Shulman: Not quite yet. Mr. Chairman, inasmuch as subsection (l) is giving the minister broad new powers which have never been—

Hon. D. R. Irvine (Minister without Portfolio): Not new.

Mr. Shulman: —given before this session, I want to ask the minister if he would be willing to refer these regulations to the standing committee on regulations for their examination?

Mr. Roy: That is a useless exercise.

Hon. Mr. Meen: No, Mr. Chairman.

Mr. Chairman: Shall subsection (l) stand?

Mr. Shulman: No, I've got lots to do yet.

The minister has said he is not willing to refer them to the standing committee on regulations?

I'd like to ask the minister if he is prepared to follow his own law as written in the Revised Statutes of Ontario, 1970, and the Act is the Regulations Act. Does he believe that Act has to be followed in this province or is that irrelevant too?

Hon. Mr. Meen: Mr. Chairman, the procedure for regulations by way of order in council, to my knowledge, does not include a reference to the standing committee on regulations. I understand that they may have authority to undertake the investigation of regulations if they are so instructed by the House, but there is a regulations committee of cabinet—

An hon. member: They have a committee.

Mr. Singer: No, they examine them after the fact.

Hon. Mr. Meen: –to which these regulations would go before they go to the cabinet itself.

Mr. Shulman: May I first ask who is the chairman of the standing committee on regulations?

Hon. Mr. Meen: It happens that it is the Minister of Revenue, Mr. Chairman.

Mr. Shulman: The Minister of Revenue. Well, inasmuch as the Minister of Revenue is the chairman of the standing committee of regulations, let me inform him what the Act says.

Mr. Taylor: Stick to the clause.

Mr. Shulman: I refer to section 12, subsection 3.

Hon. Mr. Meen: Oh, excuse me, may I ask the hon. member, would he rephrase that question? He asked who is the chairman of the standing committee?

Hon. Mr. Irvine: Yes.

Mr. Shulman: Yes.

Hon. Mr. Meen: I have no idea who the chairman of the standing committee is. I thought he was asking the question as to who the chairman of the regulations committee of cabinet is.

Mr. Shulman: I must admit, Mr. Chairman, I really didn't believe it, and I thought it was a little nuts. All right, let's start again. Who is the chairman of the standing committee on regulations?

Mr. Roy: Last year he was the member for Prescott and Russell (Mr. Belanger).

An hon. member: Is that the member for Algoma (Mr. Gilbertson)?

An hon. member: It wasn't organized this year.

An hon. member: It's so useless.

Mr. Shulman: Nobody knows who is the chairman of the standing committee on regulations. Okay.

Mr. MacDonald: Without the appendix it's a withered portion of the body politic.

Mr. Shulman: Well, I'll tell you why it's a withered portion of the body politic: It hasn't really mattered too much until this session. But it suddenly matters because the minister is taking power unto himself in the regulations which he's never had before. Now, I want to refer him to section 12, subsection 3 of the standing committee on regulations which reads as follows:

> The standing committee on regulations shall examine the regulations with particular reference to the scope and method of the exercise of delegated legislative power,

etcetera, etcetera. And by golly, if that ever comes in it comes in tonight. Now, you have delegated unto yourself and your big majority is giving it to you under this subsection (1), the power to bring in regulations ad nauseam. Ad inlimitum.

Hon. Mr. Meen: Who is he?

Mr. Shulman: Pardon me? I am sorry, did the minister speak? He spoke but we couldn't hear. He has given himself all these new powers. I ask him at least to obey the laws of this province and agree that these regulations, such as they are, whatever they are, and whenever they may come in, will be referred to the standing committee on regulations. Will he agree to that?

Hon. Mr. Meen: It is not a matter of my having them referred to the committee. They don't become a regulation until they are passed by the order in council and filed with the registrar; and it would be up to the House to appoint the standing committee on regulations and let them then, if they wish, examine the regulations.

Mr. Shulman: Well, I want to point out subsection 1 in that case to the minister– of section 12.

Mr. Taylor: Oh, get serious. Stick to the clause.

Mr. Shulman: Well, we will get along a lot faster if you can keep those people subdued.

Mr. Chairman: Order please. If you're losing attention, keep to your argument.

Mr. Shulman: Well, keep your patience. I have got all year.

Mr. Taylor: You do have all year. Sure, you just came in.

Mr. Shulman: Mr. Speaker, I am going to have my say, and they can yell from now till Doomsday.

Mr. Singer: Point of order.

Mr. Good: Point of order.

Mr. Chairman: Order please, order please. The member for Downsview.

Mr. Singer: In an effort to save the time of the House, all regulations passed by the Lieutenant Governor in Council are automatically referred to the standing regulations committee which can review them ex post facto as to whether or not they are within the regulatory power. The committee has no power to review the wisdom of them.

Mr. Shulman: Review the which?

Mr. Singer: The wisdom of them.

Mr. Shulman: I agree. But what it has the power to do—

Some hon. members: Sit down.

Hon. Mr. Meen: The whole thing is out of order.

Mr. Shulman: Mr. Chairman, what they have the power to do is, and I quote: "They have power to examine it with particular reference to the scope and method of the exercise of delegated legislative power." I ask the member for Downsview, through you, Mr. Chairman, of course, does that not specifically include section(1)?

Mr. Singer: No.

Mr. Shulman: Let's get some other legal advice.

Mr. Singer: They can't discuss wisdom.

Mr. Roy: You can't look at the merits of—

Mr. Singer: Only if it is within the scope of the Act.

Mr. Roy: Will the member for High Park ask the member for Yorkview (Mr. Young) how—

Mr. Chairman: Order, please. Shall subsection (1) stand as part of the bill?

Mr. Shulman: No, may I—I have a few more comments but I yield to my colleague.

Mr. Chairman: The member for Ottawa Centre.

Mr. Cassidy: I want to put on the record, Mr. Chairman—

Mr. W. Hodgson: He is just about as wise as you are.

Mr. Cassidy: I want to put on the record, Mr. Chairman, the provisions under the omnibus regulation section of the Gasoline Tax Act, the Income Tax Act and the Corporations Tax Act of the Province of Ontario. I do this for the record because I am saying that the degree of power being given to the minister in this particular section is wrong. He is probably in order to take an omnibus section, to have an omnibus section, which allows him to make regulations within the intent of the Act but to go beyond the intent of the Act and to have power to repair any deficiencies in the Act is simply unacceptable.

In section 102 of the Corporations Tax Act, this is the RSO 1970 version—

Mr. Chairman: Order please. It seems to me we are still on subsection (1) of this bill.

Mr. Cassidy: I beg your pardon, Mr. Chairman?

Mr. Chairman: We are straying from subsection (1).

Mr. Cassidy: I definitely am not, Mr. Chairman.

Mr. Chairman: Order, please. Order.

Mr. Cassidy: I definitely am not. I will challenge your ruling.

Mr. Chairman: You may challenge my ruling.

Hon. Mr. Stewart: Go ahead.

Mr. Chairman: Order, please. Will the member take his seat?

Mr. Cassidy: Mr. Chairman.

Mr. Chairman: Will the member take his seat?

Mr. Cassidy: Subsection (1)—

Mr. Chairman: Order, please.

Mr. Cassidy: Subsection (1)—

Mr. Chairman: Order, please.

Mr. Cassidy: Now—

Mr. Chairman: I have ruled the member as being repetitive, No. 1; No. 2, he is straying too far away from the present subsection.

Mr. Cassidy: That is quite unacceptable, Mr. Chairman, and I challenge your ruling.

Mr. Chairman: You may challenge it.

Interjection by an hon. member.

Mr. Chairman: Those in favour—order please.

Mr. Shulman: No, don't you dare try that.

Mr. Chairman: Does the member wish to say something in order?

Mr. Shulman: I want to talk on subsection (l).

Mr. Chairman: Does the member wish to say something on subsection (1)?

Mr. M. C. Germa (Sudbury): You should remove yourself from the chair.

Mr. Chairman: The member for Ottawa Centre.

Mr. Cassidy: I am sorry, Mr. Chairman, I challenged your ruling. As I understand it, you have to take a vote on the ruling if you wish to do that. I understand it would be desirable to finish the debate by 10:30 this evening; I know the member for High Park and I were willing to do that but we are being mistreated by the Chair.

Mr. Chairman: Order, please. If the member—order, please.

Mr. Cassidy: I simply want to put on the record these points very quickly if I have the chance.

Mr. Chairman: All right.

Mr. Cassidy: I am asking the chairman to withdraw his ruling and allow me to make those points which are quite in order.

Mr. Chairman: If the hon. member will kind of slow down in talking a little bit.

Mr. Cassidy: Okay.

Mr. Chairman: And give somebody else a chance.

Mr. Roy: He gets carried away.

Mr. Chairman: I will allow the member to continue provided he keeps within order.

Mr. Cassidy: All right. The point, Mr. Chairman, is I think we are disagreeing about that. Subsection (k) of section 4 of the Gasoline Tax Act—I am sorry, subsection (l)—states "The Lieutenant Governor in Council may make regulations respecting any matter necessary or advisable to carry out effectively the intent and purpose of the Act." In the Income Tax Act, the phrasing is very similar—I have lost the place here; maybe I can find it quickly.

Interjection by an hon. member.

Mr. Cassidy: Under the Corporations Tax Act, Mr. Chairman, the Lieutenant Governor in Council, under section 102(e), is given power "To make regulations respecting any matter necessary or advisable to carry out effectively the intent and purpose of this Act." Under the Income Tax Act, the Lieutenant Governor in Council may make regulations under section 27(d) generally "to carry out the purposes of this Act." The pattern is continued under the Land Transfer Tax Act wherein the Lieutenant Governor in Council is given power to carry out regulations "respecting any matter necessary or advisable to carry out effectively the intent and purposes of this Act."

In each of these four cases, Mr. Chairman —four of the major taxing statutes — the power of regulations is confined to the intent and purpose of the Act but when it comes to this proposal under subsection (l) not only may regulations be passed which are considered necessary for the purpose of carrying into effect provisions of this Act according to their intent, but also to supply any deficiency in the provisions of this Act. That is what we find unacceptable and objectionable, Mr. Chairman.

If the debate hadn't gone on for three or four weeks, we would carry this debate right through until Monday. We will oppose this section as we find it grossly unacceptable.

Mr. Chairman: Shall subsection (l) then stand?

Mr. Shulman: May I just say a word on this subsection?

Hon. Mr. Irvine: No.

Mr. Chairman: The member for High Park.

Mr. Shulman: Thank you. I want to follow up the point my colleague has made, which I hadn't really considered until this moment, and I must agree with him. The purpose of regulations, as set out in the Regulations Act, is to carry into effect the purpose of the Act and obviously you cannot have all the regulations in each Act. The conditions change and you have to add things as you learn from experience. The other reason, of course, is it would be far too bulky; everyone realizes that.

We certainly have no objection to the part which says, "that are considered necessary for the purpose of carrying into effect the provisions of this Act according to their intent." What is really very upsetting to me and, I am sure, to other members is this business of saying, "and of supplying any deficiency therein" because that is not the purpose of regulations.

Regulations are to help carry out what is written here, not to add something you didn't write or you forgot about. If there is a deficiency, it shouldn't be in the regulations. It means, in effect—

Hon. Mr. Irvine: Have to put the NDP in the regulations.

Mr. MacDonald: It is a backdoor method of amendment.

Mr. Shulman: —that if the minister discovers next week or tomorrow morning after this Act has already been passed, "My goodness. I forgot to include such and such," all he has to do is go down to his cabinet meeting, pass a regulation and send it to the Lieutenant Governor in Council. Nothing goes to the regulations committee because, apparently, the regulations committee hasn't even been called. There is no chairman; there is no nothing. It hasn't met in years, I am just informed by my colleague who is on it but has never been summoned to a meeting. In effect once this section passes, he can write anything into the Act he wishes, whether or not it should be under regulations.

Surely, these last words should not be there? How many are there? The last six words in this section should not be there because if there a deficiency in this Act, if there is something someone has forgotten; if there is some group which is not covered; if there is some group which is covered but shouldn't be covered; the House and the opposition should have an opportunity to examine it at the same time as the minister makes it law or is attempting to make it law. What he is attempting to do with this section is say, "The opposition is not going to be given any opportunity to discuss this. When we decide something else should be in there, it will be in there." Let me give you a specific example.

Mr. Taylor: Let's not, and say you did.

Mr. Shulman: Let us suppose that three months from now the minister finds the Act isn't working; he finds the Act isn't working because, he figures, the 50 per cent he put in there isn't high enough. That's deficiency. He can say, "Fellows, we are going to raise that to 80 per cent" or he can lower it to 20 per cent or change it to anything he wishes. In effect, he can completely change the intent of the bill and we will read about it when the regulations have come through.

Mr. Chairman, I suggest to you that this is ultra vires, extempore and everything else. It is beyond the powers of the minister to give himself a blank cheque. In effect, this is a straight blank cheque to do as he wishes, when he wishes. Forgive me for speaking at some length on this but this is of extreme importance.

I know you are looking at your watch. Don't get nervous about your watch. This is of sufficient importance that it shouldn't be let through and we should give it some consideration. He has enough blank cheques in this bill. This bill allows him to do whatever he wants whenever he wants. Let us come again to a point made some days ago. This minister is not always going to be the Minister of Revenue.

Interjections by hon. members.

Mr. Shulman: Passing a section like this allows some future minister to do what he wishes. It allows him to effect to write an entirely new bill. I ask you, Mr. Chairman, I appeal to you personally—

Mr. Breithaupt: I don't think you appeal to him personally.

Mr. Singer: Mr. Chairman is going to instruct him how to act.

Hon. Mr. Irvine: Sit down. You have made your point. There is no point.

Mr. Chairman: I believe the member is repeating now.

Mr. Shulman: I will sum up very briefly. I have 30 seconds left, if you will allow me. I appeal to you, Mr. Chairman, to say that the minister should not be given these powers under any circumstances in this bill or any other bill. Any law that comes into this province should be debated first here. If you allow this to go through you are abrogating your responsibilities in addition.

Mr. Chairman: Shall subsection (1) stand as part of the bill, then?

An hon. member: No, no.

Mr. Chairman: Those in favour of subsection (1) standing as part of the bill will please say "aye."

Those opposed will please say "nay."

In my opinion the "ayes" have it.

I declare the subsection carried.

Subsection 3.

Mr. Roy: Mr. Chairman, I just want to say one word on subsection 3.

Hon. Mr. Grossman: Do you really have to?

Mr. Roy: Yes. I really have to. I think it is one thing, Mr. Chairman, that the minister pass legislation that is retroactive but it is another thing to pass regulations which will be, because each piece of legislation will receive some scrutiny prior to its passage whereas the regulations will not.

Mr. Chairman, this is again an area of the bill which is faulty, which gives this government unlimited scope in powers and an area again where there is further abuse. For instance, it can pass regulations that can be printed in the Canada Gazette and say that they have application two months prior. This is the type of power that is dangerous and which you should not have. We felt, Mr. Chairman, that we should make these comments.

Mr. Chairman: Shall subsection 3 stand as part of the bill?

Mr. Shulman: Very briefly on subsection 3, Mr. Chairman.

Mr. Chairman: Will the member please keep on eye on the clock?

Mr. Taylor: Trying to hold it up until tomorrow.

Mr. Shulman: I'm sorry.

Mr. Chairman: I am just checking the time.

Hon. Mr. Winkler: Mr. Chairman, to facilitate the members I might move that we sit a few moments past the hour of 10:30 if they wish to make any other contributions.

Motion agreed to.

Mr. Chairman: The member for High Park.

Mr. Cassidy: Provided it is committee only.

Mr. Shulman: Committee only?

Mr. Chairman: Yes, it is carried.

Mr. Shulman: We are agreeable to going ahead if it is committee only.

Mr. Chairman: The member has the floor.

Mr. Cassidy: Could we have that indication from the House leader?

Mr. Shulman: Mr. Chairman, is this for committee only?

Hon. Mr. Irvine: You have to report.

Mr. Shulman: Okay.

Hon. Mr. Grossman: Why don't we adjourn, and that will learn you?

Mr. Shulman: I don't care. I can be here tomorrow.

Mr. Chairman: No, the member for High Park has the floor.

Mr. Good: Let's decide if we are going to sit past 10:30.

Mr. Shulman: The only point I want to make, Mr. Chairman, is: We discussed this with the former Minister of Revenue (Mr. Grossman) ad nauseam the question of bringing in taxes—

Mr. Breithaupt: Is that his name?

Hon. Mr. Grossman: You did nauseate me.

Mr. Shulman: —and laws post ipso facto, I think that is the right phrase. Surely there would have been no great tragedy if this law were made effective in fact when it was passed. In actual fact the minister has conceded that by instructing his minions who work down in—

Mr. Good: Millions of minions.

Mr. Shulman: —the dungeons that he has provided for them that in effect anyone selling a property today does not have to pay the tax. He said, "Just tell us that the property wasn't worth any more today than it was on April 9 and you won't have to pay it."

So in effect he has conceded that. What I am objecting to here is the principle. We fought this out with the former minister and his predecessor before that and, believe it or not, way back in 1968—I will dig out Hansard if necessary—we had a promise from the minister of the time that they wouldn't do this any more. They agreed in their wisdom of the time, which unfortunately has turned slightly senile since then, that this was a bad practice.

I think this thing came up with cigarettes and alcohol. Unless it was a storeable item or was some great disaster financially, all tax laws should become effective at the time they are passed and not become effective as

of midnight the day the government pronounces them. I know I am not going to convince this minister of this. I haven't convinced him of anything else. But I want it to go down on the record that this is wrong too, so that it will be quite clear that as we have gone through the bill, of the first 23 sections, not one was done correctly.

However, I am prepared to concede that there are no errors in section 24.

Mr. Chairman: Subsection 3 agreed to. Section 24 carried?

Mr. Roy: I just want to make one brief comment on section 24, Mr. Chairman.

Why would you want this legislation to be retroactive and, in fact, nail people for April 9 if you agree with your colleague, the Minister of Housing (Mr. Handleman), who says that prices, in fact, are going down? Nobody is going to have any tax to pay anyway between April 9 and the day it is proclaimed. So you have an inherent contradiction. Why would you want it to be retroactive?

Mr. Singer: Answer that.

Mr. Roy: Yes, answer that.

Hon. Mr. Rhodes: Can't you make up your own words? Do you have to take them from him?

Mr. Roy: Try to be consistent.

Mr. Chairman: Order, please. The hon. minister.

Hon. Mr. Meen: It is very simple. We have a date from which we are starting evaluations, and all the other matters work from that date, including the three-year period for investment. If the hon. member had been here when we were talking about section 20, he would realize that the three-year period for investment began on April 9 for those who held investment property on that date. I think it would be doing them an injustice to have this effective only upon proclamation, and it is quite appropriate indeed that it should be as of the time of its announcement.

Mr. Roy: I just want to say clearly to the minister that I think his argument has no weight at all. Your arguments are as bad as those of your colleague, the Minister of Transportation and Communications. Terrible. Tell us about Krauss-Maffei. You look like your transportation policy, going every which way.

Mr. Chairman, if you are going to have consistency, surely the minister should talk to his colleague, the Minister of Housing. He will tell the minister that he doesn't need this legislation to be retroactive. Do you want me to talk in French?

Sections 24 and 25, inclusive, agreed to.

Mr. Chairman: Shall the bill, as amended, be reported?

Some hon. members: No.

Mr. Chairman: Those in favour of Bill 25, as amended, being reported will please say "aye."

Those opposed will please say "nay."

In my opinion the "ayes" have it.

Bill 25, as amended, reported.

Hon. Mr. Winkler moves the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill with certain amendments, and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, before I move the adjournment of the House, and despite section 48(b)—I wonder if the members would give us unanimous consent to proceed with third reading?

Mr. M. Shulman (High Park): No, never.

Hon. A. Grossman (Provincial Secretary for Resources Development): What did he say? I can't hear him.

Mr. Shulman: The government will never get unanimous consent on this vote.

Hon. Mr. Winkler: I am glad to hear the member's respect. When he is talking to other people about respect for the chamber, let him think of his own conduct for a change.

Mr. Shulman: I told the minister that two days ago.

Hon. Mr. Winkler: That being the case, Mr. Speaker, I would anticipate that the bill will be printed by 11 o'clock tomorrow morning, and if it is, and distributed, I will then call third reading. Failing that, I will

ask that the House will consider the estimates of the Minister of Agriculture and Food (Mr. Stewart).

Mr. V. M. Singer (Downsview): All right. We will be back.

Hon. Mr. Winkler: If the members will listen now—I am trying to be fair with them—in the event that we would proceed with third reading it may then be that for the balance of the morning I will call some legislative items as outlined a week ago tonight. Bills 51, 52, 65, 35, 37, 39, the same bills I called one week ago, Mr. Speaker.

I would say that following the estimates of Colleges and Universities, the standing committee outside of the House will hear the estimates of the Minister of Community and Social Services (Mr. Brunelle), and following the estimates of the Ministry of Agriculture and Food we will call the estimates of the Treasurer (Mr. White).

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 10:35 o'clock, p.m.

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No. 65

Ontario

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Fourth Session of the Twenty-Ninth Legislature

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LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, MAY 31, 1974

The House met at 10 o'clock, a.m.

Prayers.

Mr. Speaker: Statements by the ministry.

WATTS FROM WASTE PROJECT

Hon. W. Newman (Minister of the Environment): Mr. Speaker, early in 1973, the former Minister of the Environment (Mr. Auld) formed a committee composed of representatives of the Ontario Hydro, Metropolitan Toronto, what was then part of Mississauga and the Ministry of the Environment to investigate the feasibility of the use of solid waste in the generation of electrical power. The report of the committee was presented to the minister in November, 1973, and outlined a proposal for the use of processed waste as a fuel in the production of electrical power at the Lakeview generating station of Ontario Hydro. Proposed was a $15-million project to be financed by Metropolitan Toronto and the province. The project would process approximately 1,000 tons of solid waste a day.

Mr. Speaker, I am pleased to announce today that I have taken steps which I hope will have the effect of launching what has become known as the Watts from Waste project. In a letter to Metropolitan Toronto Chairman Paul Godfrey, I have offered $1.5 million on behalf of the government of Ontario to assist in the cost of processing equipment for the transfer station planned for Etobicoke, which will prepare the solid waste for use as a fuel at the Lakeview generating station.

The Ontario government has also agreed to contribute a grant of $3.5 million to Ontario Hydro to fund the necessary modifications to the generating station to permit the use of processed waste as a fuel. The total provincial commitment, therefore, is $5 million or one-third of the total cost of the project. I hope, with this commitment by the Province of Ontario, that Metropolitan Toronto and Ontario Hydro will be encouraged to carry this project forward as quickly as possible. The Watts from Waste project is significant, not just to Metropolitan Toronto with its current solid waste disposal problems, but also to the province as a step in developing practical resource recovery facilities.

At this point, Mr. Speaker, I would like to acknowledge the contributions made by Metropolitan Toronto, Ontario Hydro and the former town of Mississauga in bringing this project to this stage. As I said before, Mr. Speaker, we are concerned with the volume of solid waste that is being produced in this province. Our aim is to reduce this volume and to recover the useful materials that are now being wasted in landfill operations. This forward-looking approach by Metropolitan Toronto and Ontario Hydro is a large step in that direction.

Mr. Speaker: Oral questions.

Mr. A. J. Roy (Ottawa East): Look who's here, look who's here.

Mr. J. R. Breithaupt (Kitchener): Mr. Speaker, a question of the Minister of Transportation and Communications.

Mr. Roy: That's because he's the only one here.

Hon. J. R. Rhodes (Minister of Transportation and Communications): I know.

Mr. V. M. Singer (Downsview): What has he stopped today?

Mr. Breithaupt: In view of the minister's statement—

Mr. I. Deans (Wentworth): They have defeated their record of yesterday. There are 19 missing today; there were only 17 missing yesterday.

Mr. R. F. Ruston (Essex-Kent): It's a boycott.

Mr. J. F. Foulds (Port Arthur): They aren't the heavyweights, I will say that.

Mr. Deans: And even fewer cabinet ministers.

Mr. Breithaupt: In view of the minister's statement yesterday—

Mr. J. A. Renwick (Riverdale): Why doesn't the Minister of Revenue take the morning off; the bill isn't reprinted.

Hon. A. K. Meen (Minister of Revenue): I thought I might.

Mr. M. Shulman (High Park): Why is it taking so long to get it printed?

TORONTO ISLAND AIRPORT

Mr. Breithaupt: The minister said in his statement yesterday, and I quote:

> The fact that this ministry agreed to chair this committee should not be misconstrued as meaning that it has the prime responsibility or role, but rather it has simply accepted the job as co-ordinator. This is not a provincial committee; the province is only co-ordinating the efforts of those involved.

In view of this, will the minister please explain the statement in the first paragraph of the draft report on the Toronto Island Airport, and I quote:

> Increasing deficits incurred by the harbour commission, coupled with the desire by the Province of Ontario to preserve the airport as the hub of a southern Ontario third-level air network, has forced a reassessment of the potential of this unique waterfront airport, located within a mile and a quarter of the Toronto CBD.

That is the paragraph in the report. Is it correct, that in fact this is a ministerial responsibility and a government decision? Further, has the minister had a chance as yet to see the report; because if not I will be glad to send him a copy?

Hon. Mr. Rhodes: Mr. Speaker, yes, I have seen the report. I think it has been obvious, and has never been denied I don't believe, that there has been an interest in the Ministry of Transportation and Communications in the development of third-level air carrier service in the southern Ontario area. I answered a question on this yesterday by the hon. member for St. George (Mrs. Campbell). I think, of course, that the Toronto Island Airport was the one that was being looked at by the ministry, as it now exists, as a possible STOL site. There has been no decision made; but certainly the fact that we were interested in that airport is correct. And I draw to the member's attention that there is no question of a second airport.

Mr. Speaker: The hon. member for Riverdale.

Mr. Renwick: By way of supplementary question: Does the minister agree with the lead editorial in the Globe and Mail this morning?

Hon. Mr. Rhodes: Mr. Speaker, I very rarely agree with the lead editorial in the Globe and Mail—but I didn't read it this morning.

Mr. Singer: If he had he wouldn't have agreed with it.

Mr. Speaker: The hon. member for Kitchener.

Mr. Breithaupt: I would be glad to send the minister a copy of the editorial, if he would like to have it.

Mr. Roy: Get someone there to read it to him. Send it over now.

STEEL MILL ON NOTTAWASAGA RIVER

Mr. Breithaupt: A question of the Minister of the Environment: I first asked him on March 14, some 11 weeks ago, whether any environmental impact studies had been completed on the $25 million steel mill which was proposed on the banks of the Nottawasaga River in Essa township. Has he as yet completed those studies; and if so when will we receive them?

Hon. W. Newman: Yes, Mr. Speaker, I think as I indicated at that time we would be doing this; and we have done extensive studies on that particular area.

Mr. Breithaupt: Is the minister prepared to table those studies in the House?

Hon. W. Newman: Not at this point in time.

Mr. Breithaupt: When will he be?

Some hon. members: In the fullness of time.

Hon. W. Newman: Reasonably soon.

Mr. Speaker: The hon. member for Kitchener.

Mr. Breithaupt: Question of the Provincial Secretary for Social Development (Mrs. Birch), with respect to—

Mr. Roy: Ah, there she is. She should have stayed away.

Mr. Breithaupt: I think she is the minister we can talk to on housing when the Minister of Housing (Mr. Handleman) is not here; is that correct?

Mr. S. Lewis (Scarborough West): Housing? That is not within her secretariat.

Mr. Breithaupt: Not within her secretariat! Oh, I will pass then for the moment until the Minister of Housing comes in.

Mr. Speaker: The member for Kitchener has no more questions for the Liberal Party?

The hon. member for Scarborough West.

Mr. Roy: Mr. Speaker, there is nobody here.

Mr. Singer: The Attorney General (Mr. Welch); the Solicitor General (Mr. Kerr)—

Mr. Lewis: Oh, there is somebody here; the Minister of Energy (Mr. McKeough) is here.

Mr. Renwick: And the House leader (Mr. Winkler) is here.

WATTS FROM WASTE PROJECT

Mr. Lewis: I am going to come to the Minister of Energy in a moment, but may I first ask the Minister of the Environment about this solid waste task force of his? When is he going to table the report on disposables which was promised for, I guess June 1, 1973? Since tomorrow will be the anniversary of when the report was to be tabled, when will that aspect of the task force report emerge?

Hon. W. Newman: As I believe I said in the House before, the solid waste task force report is in my hands and we are still doing some very intensive study on it. I would hope we would table it fairly soon.

Mr. Renwick: Is that intensive study as distinct from extensive study?

Hon. W. Newman: Intensive

Mr. Renwick: Intensive on this topic and extensive on the other topic?

Mr. Lewis: Can I remind the minister that this task force was appointed on Nov. 3, 1972, with the report due in June, 1973? The dimension dealing with returnables or non-returnables was appointed in January, 1973, to report in June 1973. It is now a year later. It has been on the minister's desk for at least two months; when is he going to table the report in the House?

Hon. W. Newman: The full report has not been on my desk for any more than about six weeks.

Mr. Lewis: I stand corrected. It has been on his bloody desk for six weeks; when is he going to table it in the House?

Hon. W. Newman: The solid waste task report has been there. All the statistical data which came with it is voluminous and we are still studying it very intensively.

Mr. Lewis: The minister is incompetent.

Hon. W. Newman: Thank you.

Mr. Lewis: We would absorb it in three days.

Hon. W. Newman: Would they?

Mr. Lewis: Yes. Why is he suppressing it? Why will he not release that report?

Hon. W. Newman: The member wouldn't know a thing when he was finished. He wouldn't know how to read it.

Mr. Lewis: Why won't the minister release that report to the House?

Interjections by hon. members.

Mr. Speaker: Order.

Mr. Renwick: He's a meandering idiot.

Mr. Lewis: What is it that he is hiding?

Mr. Speaker: Order, please.

Hon. W. Newman: Not a thing.

Mr. Roy: The minister should tell them he can't read.

Mr. Speaker: The hon. member for York Centre.

Mr. Lewis: Six weeks to read a report that is a year late?

Hon. A. Grossman (Provincial Secretary for Resources Development): Besides, the NDP would make decisions after absorbing it for three minutes.

Mr. Speaker: I assume that the hon. member—

Mr. Lewis: We would make them before we had the report.

Mr. Speaker: Order, please.

Mr. Lewis: We don't need the report to make a decision on non-returnable bottles.

Mr. Speaker: Order, please.

Mr. D. M. Deacon (York Centre): A supplementary, Mr. Speaker: In view of the fact that the crisis in garbage in the Metro area has been well known for the last four years and in view of the fact there has been well established precedent and practice in other parts of the world, particularly in Europe, for dealing with garbage, why would it take so long for this ministry and its task force to deal with this matter?

Hon. W. Newman: The task force report, as I said, arrived on my desk some six weeks ago—

Mr. Deacon: But he has had a year—

Hon. W. Newman: We are studying it. We are doing some very intensive study on the report and on this whole matter of the beverage container industry.

Mr. Lewis: Keep on stalling.

Mr. Renwick: Just what day was it put on his desk?

GASOLINE PRICES

Mr. Lewis: I have a question of the Minister of Energy. What would the minister's response be, attitude be, what action would he take—

Mr. Renwick: No. It's a hypothetical question; don't let the minister answer that.

Mr. Lewis: I don't think so.

Interjections by hon. members.

Hon. Mr. Grossman: He won't get a hypothetical answer, I can tell the member that.

Mr. Speaker: Perhaps the member will rephrase it so that it is not hypothetical?

Mr. Lewis: This aberration on my left, Mr. Speaker—

Mr. Breithaupt: Now we know why the member is always here for questions.

Mr. Lewis: Take that off Hansard, will you?

Hon. Mr. Grossman: If we won't the member will.

Mr. Lewis: I will begin again. What would the minister do, now, that I am informing him not by means of hypothesis but by means of fact, were he to learn that the 45-day period which the Premiers and Prime Minister and the Ministers of Energy accepted as the period required for depletion of existing stocks by the oil companies, was a deliberate and calculated underestimate on their part and that they have reserves available for a period of between 84 and 100 days, based on National Energy Board figures, based on Statistics Canada figures and based on Interprovincial Pipeline figures? At what point, as Minister of Energy, would he intervene, having that kind of information?

Hon. W. D. McKeough (Minister of Energy): Mr. Speaker, while I am on my feet, I might draw to your attention that in the gallery there are 80 students—

Mr. D. C. MacDonald (York South): That is what one calls defusing the issue.

Hon. Mr. McKeough: —from grade 7 of McNaughton Avenue public school in Chatham. I knew you would want to know that, sir.

Mr. Renwick: It is known as a pause for reflection.

Mr. Lewis: Now that the minister has gathered his thoughts.

Hon. Mr. McKeough: Mr. Speaker, my reaction, I think, would be threefold. First of all I would agree with the hon. member for Riverdale that the question is hypothetical.

Interjection by an hon. member.

Hon. Mr. McKeough: Second, I would want to consider the words of the leader of the New Democratic Party with a great deal of scepticism, because I've learned that in the past.

Some hon. members: Shame, shame.

Mr. MacDonald: What about the minister's scepticism about the oil companies and their self-serving statistics?

Hon. Mr. McKeough: Third, I would want to ponder on this and think about it before I replied.

Mr. Singer: Those comments are out of order—rule 27(b).

Mr. Lewis: By way of supplementary, since a careful assessment of all those sources,

something that his ministry has not taken, shows that the oil companies in Ontario had an additional 19,361,000 bbl in inventory, over and above what was used for the 45-day period. And since they were receiving $2.70 more for each of those barrels, based on the new price, when in fact they had been purchased on the old price; and since that has given them a windfall gain, uncalculated by this government, of a minimum of $52 million, over and above all of the additional price increases at the pump, is the minister prepared to intervene and take back that money by way of tax?

Hon. Mr. McKeough: I remain sceptical, Mr. Speaker.

Mr. Lewis: By way of supplementary, Mr. Speaker, since in fact the minister was wrong on the understanding that flowed from the conference in March about the cost at the pump, and there was serious misunderstanding about the value at the wellhead, will he now launch an inquiry into the extent of inventory which the oil companies had in order to take back the additional windfall profits that they've made and use that money to offset the increases that have occurred for the consumers of Ontario?

Will the minister not concede that this is yet another aspect of the oil situation which he never even contemplated investigating and on which he simply accepted the word of the oil companies?

Hon. Mr. McKeough: Mr. Speaker, the answer is no, at this moment. Certainly we have been wrong from time to time. We will continue to be wrong from time to time—

Mr. Lewis: They sure have been—and on this one.

Hon. Mr. McKeough: —but I would say this, we on this side of the House aren't nearly as wrong as my New Democratic friend, who is consistently wrong.

Mr. MacDonald: Come on, the government has been dead wrong all the time.

Mr. Lewis: I'm going to leave it at that, Mr. Speaker, but I'm distributing the figures and I hope the minister will assess them carefully. I assume he will.

Hon. Mr. McKeough: Mr. Speaker, I await them with breathless anticipation.

Mr. Lewis: Well, he should. It's another $52 million ripoff of Ontario consumers which the minister refuses to protect them from!

Hon. Mr. McKeough: Mr. Speaker, we might well ask, how much of that goes into Saskatchewan, that socialist haven out there?

Mr. MacDonald: Nothing.

Mr. M. Cassidy (Ottawa Centre): Nothing.

Mr. Lewis: Not a penny, because every penny of it is taken by way of royalties!

Hon. Mr. McKeough: Oh, come on! They're the biggest ripoff artists in the country.

Mr. Lewis: They pay no royalties in Ontario. It all goes into the coffers of the oil companies. That's the difference.

Hon. Mr. McKeough: It's the socialists' ripoff.

Interjections by hon. members.

PRICE INCREASES BY CHRYSLER CANADA LTD.

Mr. Lewis: A question of the Minister of Consumer and Commercial Relations: Now that Chrysler has indicated a need to raise its prices yet another $35 per automobile, allegedly because of the increase in steel prices, will the Minister of Consumer and Commercial Relations require Chrysler to explain to him in detail, either in person or in writing, what it is that has justified these price increases, and to set it out so that we in the House can see the economic cause-and-effect relationship?

Hon. J. T. Clement (Minister of Consumer and Commercial Relations): Mr. Speaker, as I recall, some perhaps two weeks ago the same hon. member asked a similar question; and as I recollect, sir, I wrote to—

Mr. Lewis: That was about Ford.

Hon. Mr. Clement: It was Ford, I'm sorry; quite correct. If my memory serves me correctly, I wrote to Ford within a few days thereafter and, to my best recollection, have not received a response as of this date. I have no hesitation in writing them. Again, I can't anticipate what the response will be, but I will be more than pleased to write to them if that will serve the purpose.

Mr. Lewis: By way of supplementary, I take it in this—

Hon. Mr. Clement: Is the member thinking of buying one?

Mr. Lewis: No.

Mr. Renwick: We suggest the minister communicate by telegram.

Mr. E. M. Havrot (Timiskaming): They buy foreign cars, not Canadian-made cars.

Mr. Lewis: The government offered a Chrysler but I turned it down as it happened.

Hon. Mr. Grossman: What did the member get?

Mr. Shulman: A Cadillac.

Mr. Lewis: The minister won't speak for him I know, but from what the Premier (Mr. Davis) said in the House the other day, will the minister also table this correspondence as it is undertaken by the government?

Hon. Mr. Clement: First, I will speak for the Premier. I saw him a day or two ago and he asked me to express his best to the member.

Mr. Renwick: How is he? Is he well?

Mr. Deans: The minister probably saw him the same time as we did.

Hon. Mr. Clement: Second, I will consider tabling it. I won't undertake that right now.

STUDY ON FOOD COMPANY PROFITABILITY

Mr. Lewis: All right; I have one last question of the Minister of Consumer and Commercial Relations.

Now that Dominion Stores has experienced a 36 per cent increase in profit in the 52-week period ending March 31, 1974, and they are indicating this was a significant increase in profit for them but saying that any excess profit occurred further down the line, will the minister ask Dominion Stores to document for him the profits taken at the middleman position as they indicated in their statement to the annual meeting of shareholders?

Hon. Mr. Clement: Mr. Speaker, as I indicated some weeks ago, my staff will be doing a second part to the food study review. I presume that information, or a substantial portion of it, would be contained in my staff's comments in that second portion.

I have written to them, and as a matter of fact I have had some correspondence back from many of them.

Mr. Lewis: By way of supplementary, that report was scheduled for the third week in June. Can the minister guarantee to have that report available to the House before we adjourn if the adjournment date is, let us say roughly around June 20 or June 25?

Hon. Mr. Clement: Is that when we are finishing?

Mr. Lewis: Well that is the scuttlebutt, but I am using it hypothetically.

Hon. Mr. Clement: I can use all the help I can get, Mr. Speaker. I want to plan a little holiday and it gives me some direction in any event.

No, I won't guarantee it, but I will do this: Should the House rise and that report be available on that date, or if the report is available some days after the House has risen, I will file a copy of it in the Clerk's office so that it is available to the members of the House. Should any of the members of the House require copies I will be more than pleased to supply them if they are available. If the report is ready on that date, yes I will certainly table it in the House.

Mr. Lewis: Thank you.

Mr. Speaker: Does the hon. member for Scarborough West have further questions?

ALLEGED BLACK MARKET IN DRIVERS' LICENCES

Mr. Lewis: The Attorney General is here. He is so seldom here, I would like to ask him a question.

May I ask the Attorney General what has he done with the request from Action Line of the Windsor Star to investigate a possible black market trade in drivers' licences in the Province of Ontario, which they documented for him some weeks ago and in response to which they have not yet heard anything?

Hon. R. Welch (Provincial Secretary for Justice and Attorney General): The investigation is being carried on, Mr. Speaker.

Mr. Lewis: I didn't hear that, it was such a sotto voce response.

Hon. Mr. Welch: Regardless of the vocabulary, if I understood the question—

Mr. Lewis: It wasn't vocabulary.

Hon. Mr. Welch: —it was: what was I doing with respect to the request for the

investigation. The answer was "investigating."

Mr. Deans: Was?

Mr. Breithaupt: Is.

Mr. Lewis: If I understand it, the allegations which were made were fairly significant. Does the minister not think he should be making some report rather sooner on matters which may conceivably have involved false imprisonment or mistaken imprisonment because of mistakes in drivers' licences, which are apparently reproduced and provided to some person other than the owner? Is this not something on which the minister should be reporting publicly rather than taking all this time? The file went to him initially in April.

Mr. Breithaupt: Which year?

Mr. Lewis: April 5, 1974.

Hon. Mr. Welch: When the investigation is complete, Mr. Speaker, I will be very happy to make a report.

Mr. Speaker: The hon. member for Downsview.

POLICE RAID ON HOTEL

Mr. Singer: Mr. Speaker, I have a question of the Solicitor General. Could the Solicitor General elaborate at all on the extent and kind of investigation that is going to be conducted into the affairs of the Niagara district police because of their raid on the Landmark hotel?

Is the inquiry going to be a public one? Which section of the Police Act is it going to be conducted under? Is it going to be conducted solely by the Ontario Police Commission? And would the Solicitor General tell us if he has issued any temporary guidelines or instructions to police in Ontario as to how they should behave in connection with search and seizure procedures, whether they move under the Narcotics Control Act or under any other Act?

Hon. G. A. Kerr (Solicitor General): Mr. Speaker, as I said yesterday in reply to questions from the hon. members, we are considering two sections, section 56 and section 57 of the Police Act. Section 56, as I indicated, makes it possible to hold an inquiry under the Public Inquiry Act, to subpoena witnesses and to hold public hearings. As I indicated yesterday, I felt that this section would be adequate in view of the type of inquiry that would be held here. We're not dealing with an across-the-province type of inquiry. We're not inquiring into organized crime or the drug trafficking trade in Ontario—

Mr. Singer: That's the whole problem.

Mr. Renwick: It affects the whole province and the Solicitor General knows it.

Hon. Mr. Kerr: —we're dealing with a specific incident that took place in Fort Erie and that's where we want to get the information.

Mr. Singer: Yes, that seems to be where it happened.

Hon. Mr. Kerr: Certainly, as I indicated subsequent to the question period yesterday, public hearings will be held. I don't think there's any real restrictions or inhibitions in that section.

For example, if we use section 57 with the royal commission procedure and the appointments that are necessary and the structure that is necessary under that section, we're talking about a year or 18 months before we'll have any kind of a report.

Mr. Singer: We are not.

Mr. Renwick: No we're not; that's ridiculous.

Hon. Mr. Kerr: This is what happens with royal commissions. The members know that.

Mr. Renwick. That's ridiculous and the minister knows it.

Mr. Cassidy: That's absurd.

Hon. Mr. Kerr: I want a report within three or four months.

Mr. Singer: By way of supplementary—is the Solicitor General through?

Hon. Mr. Kerr: On the other part of the member's question: I've certainly been discussing these events with the chairman of the Ontario Police Commission since the statement yesterday. He is proceeding now to seek out a counsel who would act for this investigation, somebody we hope would be outside the government—

Mr. Roy: Outside the Conservative Party?

Hon. Mr. Kerr: —and to proceed to set out the guidelines for an inquiry, the type of subpoenas and the number of subpoenas that would be required; for example whether we would subpoena people from New York State, and this sort of thing.

Mr. Singer: Why would New York State have to participate in the inquiry?

Hon. Mr. Kerr: Certainly all that has been discussed. We want to discuss it further with the Premier who is away today.

Mr. Renwick: Oh come on.

Mr. Deans: He was away yesterday and the day before.

Mr. M. C. Germa (Sudbury): How is he doing?

Hon. Mr. Kerr: That will be discussed further with him as well. The machinery is in motion. It will be a few days before final decisions are made.

Mr. Breithaupt: He threw the ball to Stanfield who couldn't catch.

Mr. Singer: By way of a supplementary, Mr. Speaker: Would the minister not agree with me that Elmer Bell has really disqualified himself from any ability to conduct this hearing—

Mr. Lewis: Oh, of course.

Mr. Singer: —because immediately after the news was published in the Toronto papers he said he could see no reason to investigate? Should the minister not seek someone else to conduct the investigation?

An hon. member: That's right.

Mr. Lewis: It's a total conflict of interest.

Hon. Mr. Kerr: Mr. Speaker, as I indicated yesterday, Mr. Bell was misquoted.

Mr. Singer: He didn't say he was misquoted.

Hon. Mr. Kerr: Mr. Bell told the reporter: "There won't be an inquiry until I have a report." That is what he said.

Mr. Singer: He didn't say that. He said there would be no inquiry.

Hon. Mr. Kerr: He didn't indicate that under no circumstances would there be an inquiry. Why doesn't the member ask Mr. Bell what he said? He'll tell the member that.

Mr. Singer: He didn't say he was misquoted.

Mr. Lewis: He's got a conflict of interest; that's why.

Mr. Renwick: Mr. Speaker, by way of a supplementary question: Was the director of the raid a member of the Royal Canadian Mounted Police or the regional Niagara police? Who was in charge of that raid?

Hon. Mr. Kerr: Mr. Speaker, it was a joint operation.

Mr. Renwick: Who was in charge that night?

Hon. Mr. Kerr: The Niagara region police were in charge that night.

Mr. Singer: They walked in together, all 50 of them. 50 chiefs and no Indians.

Mr. Roy: Mr. Speaker, I have a supplementary of the Solicitor General. In view of his comments two days ago that he would approve similar raids, would he state whether he is prepared to approve similar raids in the light of his investigation or whether he is prepared to advise the police to not conduct any further raids until this inquiry is over?

Hon. Mr. Kerr: Mr. Speaker, what I said was that raids of this kind, which are carried out quite frequently, particularly in this area, are something that I don't object to.

Mr. Singer: Raids of this kind?

Mr. Lewis: What does the minister mean, raids of this kind?

Hon. Mr. Kerr: What I certainly didn't say was that I condoned the type of activity that went on inside the Landmark hotel.

Mr. Roy: Doesn't the minister think—

Hon. Mr. Kerr: Until I had that report and full information, because everything was assumption at that point—the degree of the search, for example—I had indicated that I wouldn't condone the type of intimate physical search that went on—

Interjection by an hon. member.

Hon. Mr. Kerr: —but certainly as regards raids on premises where drug activity is suspected, they are something that is quite common and that I certainly wouldn't prohibit.

Mr. Singer: That's right. But—

Mr. Roy: Yes. But probably—

Mr. Speaker: The hon. member for High Park.

Mr. Shulman: I have a question.

Mr. Speaker: Oh. Supplementary?

Mr. Roy: If I might just ask one further supplementary—

Mr. Speaker: A supplementary; the hon. member for Parkdale.

Mr. J. Dukszta (Parkdale): Is the minister aware that during the physical examinations of the women conducted by the police officers, only wooden spatulas were used and no gloves, which constitutes a major hazard to the health of the women because of cross-infection by the examiners?

Hon. Mr. Kerr: I am sorry. I couldn't hear the hon. member. Could he turn his microphone?

Mr. Dukszta: During the examinations conducted by the police officers at the raid, no gloves were used during the vaginal examinations.

Hon. Mr. Kerr: As I said yesterday, Mr. Speaker, my information is that the women were not touched by the policewomen.

Mr. Shulman: That is not so.

Mr. Singer: There seems to be a little conflict there. The information that the minister has must be wrong.

Mr. Roy: Supplementary—

Mr. Speaker: The hon. member for Kitchener.

Mr. Breithaupt: Mr. Speaker, a further supplementary: Following what we have at least heard with respect to the rather crude procedures involved in this whole situation, does the minister not agree this is a matter of greater public importance than just the fact of the raid and the persons who have been involved in Fort Erie? As a result, does he not think that an investigation should be promptly attended to, publicly, rather than waiting again weeks and weeks for apparently more reports and more information?

Mr. Singer: And not by the Ontario Police Commission.

Hon. Mr. Kerr: No, Mr. Speaker. This is one of the reasons why I am now favouring section 56. We can work much more quickly under that section than setting up the structure of section 57—

Mr. Renwick: No, section 57 is the right one, and the minister knows it.

Hon. Mr. Kerr: —where we require a chairman, probably a judge, and all the paraphernalia of a formal royal commission.

Mr. Singer: What paraphernalia?

Mr. Renwick: We don't need all the paraphernalia.

Hon. Mr. Kerr: By using section 56 we can get some information more quickly.

Mr. Renwick: Only in secret, and the minister knows it.

Hon. Mr. Kerr: I agree that there should be public hearings. There certainly should be public hearings—

Mr. Singer: The whole thing has to be done in public.

Interjections by hon. members.

Hon. Mr. Kerr: —and there can be under section 56. I don't want to wait, as I said before, for a year or a year and a half for a report.

Mr. Lewis: The minister is retreating again. He is changing his position again.

Mr. Havrot: Ah, go on!

Hon. Mr. Kerr: I would ask the hon. members to think of one royal commission that took less than a year to conduct an inquiry—

Mr. Singer: Yes, the Leiner one!

Mr. Speaker: Order.

Mr. Lewis: They have all been conducted by the minister's government. The member for High Park's didn't take a year.

Interjections by hon. members.

Mr. Lewis: What about the member for High Park's investigation?

Mr. Singer: Mr. Speaker—

Mr. Speaker: There have been five supplementaries now.

Mr. Singer: This is not a supplementary. It's a point of information—

Mr. Speaker: There have been five supplementaries. The hon. member may convey the information privately to the minister.

Mr. Singer: Dalton Wells investigated the Leiner case in a matter of months.

Mr. Speaker: Order.

Mr. Lewis: What about the member for High Park's investigation?

Hon. Mr. Rhodes: It was a whitewash.

Mr. Renwick: That constitutes an attack on the judiciary. The member is attacking the judiciary.

Hon. Mr. Rhodes: Let's have a "Shulman" investigation right now.

Mr. Shulman: Another one?

Mr. Lewis: It completely exonerated him.

Interjections by hon. members.

Mr. Speaker: The hon. member for High Park.

NURSING STAFF SHORTAGE

Mr. Shulman: A question of the Provincial Secretary for Social Development: Would the minister agree with me that the policies of her department have resulted in a province-wide shortage of nursing staff?

Hon. Mr. Birch (Provincial Secretary for Social Development): No, Mr. Speaker, I would not agree with the member.

Mr. Shulman: A supplementary, Mr. Speaker: Can the minister then explain this letter which has been sent out from the Toronto Western Hospital to all its staff, which reads as follows: "The impending closure of beds is in large part due to a lack of nursing staff. This shortage of nurses is province-wide."

Hon. Mrs. Birch: Mr. Speaker, I don't know how the member can fault the social policy field for that condition.

Mr. Shulman: Is the minister not responsible for health policy?

Hon. Mrs. Birch: Yes, Mr. Speaker, we are.

Mr. Shulman: As a further supplementary, if the minister is responsible for policy—let me make it a little more simple—what policy is she developing to alleviate the province-wide shortage of nursing staff?

Hon. Mrs. Birch: Mr. Speaker, that is under consideration in the policy field.

Mr. Speaker: The hon. member for St. George is next.

ALLEGED FALSIFICATION OF MATERIAL

Mrs. M. Campbell (St. George): My question is of the Attorney General: Now that the Attorney General knows, or ought to know, there has apparently been a deliberate falsification of material from a government committee, will he investigate this situation with a view to laying criminal charges and will he report back to this House before we rise at the end of this session?

Hon. Mr. Welch: Mr. Speaker, certainly the Attorney General will conduct the investigation or the review to which the hon. member makes reference. The amount of time that may require would preclude me from making any commitment as to when I would be prepared to report, but I certainly will take the matter under investigation and I assure the hon. member that we will do it as quickly as possible.

Mr. Speaker: The hon. member for Hamilton Mountain.

HOVERCRAFT SERVICE

Mr. J. R. Smith (Hamilton Mountain): Mr. Speaker, I have a question of the Minister of Transportation and Communications.

What is the ministry prepared to do to inaugurate and support a GO hovercraft service between Hamilton and Toronto now that interests have declared there should be a Toronto - Niagara-on-the-Lake hovercraft service instituted this summer?

Hon. Mr. Rhodes: Mr. Speaker, to assure the hon. members that this is not a planted question, did he say STOL at the beginning?

Mr. J. R. Smith: A GO hovercraft programme, similar to the GO train programme.

Mr. Lewis: GO hover? Really catchy name.

Hon. Mr. Rhodes: Mr. Speaker, I can say that the ministry to the best of my knowledge, hasn't been considering such a thing. We are very interested at this time in expanding and developing new areas for our dial-a-bus service.

Mr. Lewis: GO hovercraft?

Mr. Deans: A supplementary question: Why doesn't the minister first of all provide some sort of reasonable rail transportation from Hamilton to Toronto before he gets into this ridiculous programme?

Hon. Mr. Rhodes: Mr. Speaker, I think that perhaps after July 8 we will have more input into the Ministry of Transport in Ottawa and perhaps we will get that rail service for the member.

Mr. MacDonald: Dreamer!

Interjections by hon. members.

Mr. Speaker: I believe it is the turn of the New Democratic Party; I will call the member for Huron-Bruce (Mr. Gaunt) next.

Mr. Lewis: We are going down.

Mr. Speaker: I am sorry; the hon. member for Sandwich-Riverside.

USE OF ETHYLENE OXIDE

Mr. F. A. Burr (Sandwich-Riverside): Mr. Speaker, a question of the Minister of Agriculture and Food regarding ethylene oxide, which is often used to sterilize various foods; including flour, cocoa, dried eggs and dried fruits. Is the minister aware of the potential public health problem which has been reported recently by doctors at Columbia University in connection with the use of this toxic and potentially mutagenic substance?

Hon. W. A. Stewart (Minister of Agriculture and Food): No, Mr. Speaker.

An. hon member: Smarten up.

Mr. Burr: Mr. Speaker, as a supplementary: Does the Ministry of Agriculture and Food not subscribe to the Journal of Agricultural and Food Chemistry, a bimonthly publication of the American Chemical Society?

Mr. Lewis: Which all of us in this caucus read, every night, every page.

Hon. Mr. Stewart: It may well do, Mr. Speaker; I don't personally subscribe.

Mr. Germa: Why not?

Mr. Burr: Will the minister consider consulting the current May-June issue and look into this subject?

Hon. Mr. Stewart: I will be very glad to.

Mr. Burr: Thank you.

Mr. Speaker: The hon. member for Huron-Bruce.

TOTALIZER EQUIPMENT AT RACETRACKS

Mr. M. Gaunt (Huron-Bruce): Thank you, Mr. Speaker. I have a question of the Minister of Consumer and Commercial Relations: What company provides the totalizers for all of the Ontario Jockey Club racetracks in Ontario which operate under the Ontario Racing Commission appointed by this government?

Hon. Mr. Clement: Mr. Speaker, the parimutuel betting at all racetracks in Ontario is supervised by the federal Ministry of Agriculture. There are five totalizer companies supplying equipment to the various tracks in Ontario. I am advised that each of the five companies has a certain type of specialty in terms of size of equipment or capacity of equipment. For example, there are one or two companies which specialize in supplying totalizer equipment to the class B tracks, that is the smaller tracks.

The companies contract with the operator of each track for the supply of the equipment. The specifications for the equipment are laid down by the federal Ministry of Agriculture for the very reason it supervises the parimutuel betting.

Mr. Speaker: The hon. member for Wentworth is next. A supplementary? Yes.

Mr. Gaunt: Mr. Speaker, a supplementary: Could the minister inform me if one Lou Chesler is associated with any of the five companies supplying these machines to the racetracks?

Hon. Mr. Clement: Mr. Speaker, I can't give the answer to that question right now. I'm just not aware of that information.

Mr. Shulman: The answer is yes.

Hon. Mr. Clement: Lou Chesler?

Mr. Gaunt: Could the minister find out and report?

Hon. Mr. Clement: Yes.

Mr. Speaker: The hon member for Wentworth.

DISCRIMINATION IN CHILDREN'S SPORTS

Mr. Deans: Thank you, Mr. Speaker. I have a question of the Provincial Secretary for Social Development. Will the provincial secretary take steps to ensure that whatever is required be done to guarantee that children involved in sports are assessed on ability rather than sex, and that any child with the ability to play ball or hockey or any other team sport be allowed to play, notwithstanding ridiculous rules that prevail at the local

level, for example, keeping young females from playing baseball in the Hamilton Police minors?

Hon. Mr. Grossman: What about wrestling? Best two out of three?

Mr. Renwick: Come off it.

Mr. Lewis: It is good it is in Hansard. We can send it to Laura Sabia as an example of what she has to contend with.

Hon. Mrs. Birch: Mr. Speaker, I am not aware that this is a widespread practice. I personally sponsor several baseball teams of girls in my own riding and I'm sure that there are many girls playing in organized sports across the province.

Mr. Roy: Is the provincial secretary discriminating against boys?

Mr. Deans: A supplementary question; the minister obviously misunderstands. At the moment it is virtually impossible for a girl, regardless of her ability, to play baseball on a "boys"—quote, unquote—baseball team. In fact, I'm asking whether the minister believes that it is proper to discriminate on the basis of sex against people who have ability.

Mr. Renwick: Does the provincial secretary understand it now?

Interjections by hon. members.

Hon. Mrs. Birch: Mr. Speaker, obviously I don't believe that it is right to discriminate on the basis of sex.

Mr. Havrot: Is that the best the member for Wentworth can bring up in the House today?

Mr. Deans: A supplementary: Will the provincial secretary make whatever amendment is required to whatever law to ensure that it isn't done? It was appealed in New York State and upheld.

Interjections by hon. members.

Mr. MacDonald: Two years ago those people laughed at the thought of a Lieutenant Governor being a woman, or a Clerk of the Legislature.

Mr. Lewis: I wish we could get it all on the record.

Mr. Speaker: Order. The hon. member for Ottawa East.

DOUBLE CHARGES BY POLICE

Mr. Roy: I have a question of the Solicitor General, Mr. Speaker. What possible justification is there for police forces across this province, and especially the OPP, that they are stopping people in relation to the consumption of alcohol and following a breathalyser test are laying charges under sections 234 and 236 of the Criminal Code when, as the minister knows, it's impossible to get a conviction on both charges? What justification is there for that, apart from the fact that maybe it facilitates plea bargaining?

Hon. Mr. Kerr: Mr. Speaker, I don't want it assumed that I'm familiar with those two sections the hon. member is talking about.

Mr. Roy: Mr. Speaker, by way of supplementary: As the minister probably knows section 234 of the Code is the one dealing with the consumption of alcohol resulting in an alcohol level in the blood of over 0.08. Section 236 of the Code is the section that deals with impaired driving.

In light of the fact that it's impossible to get a conviction for the same occurrence on both of these sections, what justification is there for the police to lay charges under both these sections for the same occurrence?

Hon. Mr. Kerr: Mr. Speaker, as the hon. member implied I think it is based to some extent in relation to plea bargaining.

Mr. Roy: What else?

Hon. Mr. Kerr: I think also that because of the uncertainty of the charge they proceed with one or the other, depending on how the local Crown attorney feels the particular matter should be proceeded with in court.

Mr. Roy: A supplementary, Mr. Speaker, if I might: Is the minister not aware of the fact that if the police should, for instance, lay a charge under one of these sections and not be successful they can turn around and lay the other charge if they were not successful?

Is the Solicitor General saying that he favours the plea bargaining process in some way, especially on the part of the police and on the part of the Crown, in view of the many reports that have been made in this province that are critical of this process of plea bargaining, especially on the part of the police and the part of the Crown in laying excessive or duplicative charges?

Hon. Mr. Kerr: Mr. Speaker, I don't necessarily agree with the procedure of plea bargaining at all.

Mr. Roy: That's what he just said before.

Hon. Mr. Kerr: This is something certainly that is being looked at from the point of view of the Attorney General's department and the Law Reform Commission. There has been a great deal of criticism about plea bargaining across the board, not necessarily in respect to just those two sections. As you know, for example, Mr. Speaker, there are times when the charge of careless driving will be laid along with a charge of following too close or something like that, under the Highway Traffic Act.

Mr. Roy: That shouldn't be done; that's an abuse.

An hon. member: It gives options.

Hon. Mr. Kerr: This goes on quite frequently and gives options to the Crown. I don't think the member should necessarily attach the blame to the police. I think the decision in respect of these charges—

Mr. Roy: It's an abuse of the process.

Hon. Mr. Kerr: —and the question of proceeding with these charges are not really the police's responsibility. There is the option. I'm not aware of any case in which when there has been a dismissal on one charge the police or the Crown would then proceed with the other charge. I'm not aware of that.

Mr. Roy: They can.

Mr. Speaker: The hon. member for High Park.

PENSION STUDY

Mr. Shulman: I have a question of the Chairman of Management Board, Mr. Speaker. Is it true he has received a study on pensions which he has read and studied, and instructed his staff that it is not to be released?

Hon. E. A. Winkler (Chairman of Management Board of Cabinet): That is not true.

Mr. Shulman: Has the minister received a study on pensions?

Hon. Mr. Winkler: I have several studies within my operation; we are in the process now of making recommendations which we will bring to the legislative assembly.

Mr. Shulman: Supplementary, Mr. Speaker: Does the minister intend to release those studies?

Hon. Mr. Winkler: I haven't made that determination as yet, Mr. Speaker.

Mr. Shulman: He ordered his staff not to release it.

Hon. Mr. Winkler: I did not order my staff not to release it.

Mr. Shulman: Well, I am going to prove the minister is lying again.

Interjections by hon. members.

An hon. member: The great Sherlock Holmes!

Mr. Speaker: Order, please. I don't think the hon. member should use that expression unless he is prepared to back it up; either that or he should withdraw it.

An hon. member: Withdraw it.

Mr. Speaker: Either that or he should withdraw it.

Mr. Shulman: I will temporarily withdraw it.

An hon. member: Oh, the big hero!

COMMUTER TICKET INTERCHANGEABILITY

Mr. Deacon I have a question of the Minister of Transportation and Communications. The minister will remember that on April 2 I asked him to contact the Railway Transport Committee of the federal Canadian Transport Commission with regard to co-ordinating bus and rail schedules and having interchangeable fares in the area north of Toronto served by CN and CP commuter services ordered by the Railway Transport Committee. What progress has the minister made during the past two months in achieving this important improvement in public transportation, especially in view of the urgency, now that fuel prices for motorists have increased 20 per cent and people are seeking improved ways of getting to and from work?

Hon. Mr. Rhodes: Mr. Speaker, as a result of the question by the hon. member, I asked the staff to look into this matter. As yet I have received no report from the contacts that have been made with the federal department.

Mr. Deacon: Supplementary: In view of the fact that the chairman of the Railway Transport Committee, at the final hearings in Toronto before the Barrie service was determined as to rates and schedules, indicated his keen interest in having an interchangeable schedules and fares, would the minister pursue that more vigorously?

Hon. Mr. Rhodes: Mr. Speaker, the matter is being pursued. I trust the member recognizes, Mr. Speaker, that indicating keen interest on the part of the chairman doesn't necessarily indicate any degree of speed on his part.

Mr. Speaker: The hon. member for Ottawa Centre.

RENT CONTROL

Mr. Cassidy: I have a question of the Attorney General, Mr. Speaker, since he is in the House for a change. Could the minister tell the House whether the government is planning any amendments to the Landlord and Tenant Act; and in particular would those amendments permit some form of rent control or rent regulation or give to tenants the right to organize in negotiations with landlords?

Hon. Mr. Welch: Mr. Speaker, no, not at this time.

Mr. Cassidy: Supplementary, Mr. Speaker: Is any review of the Landlord and Tenant Act planned during the current year?

Hon. Mr. Welch: The legislation in our ministry is always being reviewed, but I was answering the specific question. We don't plan to introduce any amendments at this session.

Mr. Roy: Mr. Speaker, would the minister indicate whether he agrees with the comments of his colleague, the Minister of Education (Mr. Wells), who said earlier this week that he favoured some form of rent control?

Hon. Mr. Welch: The Minister of Education, if I read that report correctly, shared a personal opinion, Mr. Speaker.

Mr. Roy: What does personal mean?

Mr. Speaker: The time for oral questions has now expired.

Petitions.

Presenting reports.

Motions.

Introduction of bills.

The member for York Centre.

PROVINCIAL TRAILS ACT

Mr. Deacon moves first reading of bill intituled, An Act respecting Provincial Trails.

Motion agreed to; first reading of the bill.

Mr. Deacon: Mr. Speaker, I am introducing again this private member's bill regarding provincial trails in the hope that perhaps the new Provincial Secretary for Resources Development will start to do something about this. His predecessor had a seminar last year at which time the need for expanded provincial trails systems and co-ordination of them was expressed, but there seems to have been no action since the new minister took over.

Mr. Lewis: How about a GO trails system?

Mr. Speaker: Are there further bills?

Hon. Mr. Rhodes: Mr. Speaker, I would ask your indulgence once again sir. I was not able to rise in time to present a report. I wonder if I may have the permission of the House to—

Mr. Renwick: No, not this morning. We went through this yesterday.

Mr. Lewis: No, I think we were indulgent yesterday.

Mr. Renwick: We were gracious yesterday. Does the government want us to be gracious two days in a row?

Hon. Mr. Rhodes: Yes.

Mr. Speaker: Of course, I am quite prepared to seek the authority of the House to revert to reports. Do I have that agreement?

Mr. Shulman: Not this week.

Mr. Lewis: Of course you do.

Mr. Renwick: Yes, he does.

Mr. Speaker: We do not have unanimous agreement, I regret to inform the hon. minister.

Hon. Mr. Kerr: This is frustrating the business of the province.

Mr. Lewis: I would have asked for a reconsideration, but the Speaker is very quick.

Hon. Mr. Rhodes: A divided House.

Mr. B. Newman (Windsor-Walkerville): Mr. Speaker, earlier in the morning in the east gallery were students from the Roman Catholic St. Anthony's Secondary School of Harrow in the great riding of Essex South. I thought it would be fit and proper to bring this to the attention of the members of the House.

Mrs. M. Scrivener (St. David): Mr. Speaker, before the orders of the day I would like to draw the members' attention to the fact that in a few minutes 35 students from Deer Park Public School will be here with their teacher, Mr. David George.

Hon. Mr. Winkler: Mr. Speaker, I wonder, inasmuch as there was some reconsideration on the other side, if we could revert to the item of reports. I think maybe the circumstances have changed. Am I right?

Mr. Shulman: Not on a request from the House leader, never.

Mr. Lewis: The Minister of Transportation and Communications asked for it.

Mr. Renwick: If he had stayed in his seat we might have got it ironed out.

Hon. Mr. Rhodes: Mr. Speaker, I certainly wouldn't want to take advantage of the generosity of the opposite side.

Mr. Lewis: Fratricidal disputes in the NDP!

Hon. Mr. Rhodes: But if the leader of the New Democratic Party is able to bring unity back I would ask again for consideration to revert to reports.

Mr. Renwick: Just be careful and he may get it.

Hon. Mr. Rhodes: I say it very kindly.

Mr. Lewis: I don't know but it is worth—

Mr. Speaker: I can only say that I did ask for the agreement of the House and I heard a dissenting voice.

Mr. Renwick: Ask again.

Mr. Speaker: Do I still hear a dissenting voice?

Mr. MacDonald: Away we go.

Mr. Speaker: Is there no dissenting voice? Then we may revert.

Mr. Lewis: Mr. Speaker, I want you to compare the authority over here compared with the shambles over there.

Interjections by hon. members.

Mr. Speaker: Reports.

Hon. Mr. Rhodes: Mr. Speaker, I have the honour to table the annual construction programme report for 1974-1975 of the Ministry of Transportation and Communications for the information of all members—

Mr. Shulman: We've already got that.

Hon. Mr. Rhodes: —including the one for High Park, with my sincere thanks.

Hon. Mr. Stewart: They already have it.

Mr. Speaker: Orders of the day.

CITY OF TORONTO ACT

Mr. Wardle moves second reading of Bill Pr20, An Act respecting the City of Toronto.

Mr. J. A. Renwick (Riverdale): Mr. Speaker, on Bill Pr20 I want to take the attention of the assembly for about 2½ minutes on the questions raised by this bill.

When the bill was originally introduced it contained a section 8 dealing with the authority of the city of Toronto with respect to demolition and a moratorium for which the city asked before there could be any demolition of any building, including housing, in the city of Toronto until such time as a redevelopment plan had been discussed and promulgated if that were then necessary. When this bill was before the assembly a year ago there was substantial divergence amongst the Tory members of the private bills committee dealing with the bill and a number of the members supported the city of Toronto at that time. I am speaking specifically of the member for St. David (Mrs. Scrivener); speaking specifically of the member for Don Mills (Mr. Timbrell); and the member for Scarborough Centre (Mr. Drea).

Now, the identical provision for practical purposes, and with some sophisticated refinements, came before the private bills committee again this year. I must say, with the greatest respect—because I have the greatest respect for him—the mayor of the city of

Toronto fell into the trap of negotiating with the Tory government behind closed doors on the question of whether or not the city of Toronto would be granted an authority which was of urgent concern to the city of Toronto. It is of urgent concern in the riding of Riverdale, which is ward 7 and ward 8, and of urgent need in the area of ward 6 in the city. And the private bills committee went through this gyration of the parliamentary assistant to the Treasurer, indicating that, yes, the government was going to bring forward legislation within two weeks, before the end of the month—and today is the last day of the month. The legislation is not here. The reports in the newspaper and the Treasurer (Mr. White) yesterday indicated that, "Oh yes, it will be in this week."

An hon. member: That's what he said two weeks ago.

Mr. Renwick: Now, let's not fool around. The government of Ontario is not going to introduce the kind of demolition control with the moratorium which the city of Toronto wants, regardless of the discussions which are going to take place.

What I am saying to the assembly, Mr. Speaker, and what I would like to have happen, is that this bill be now not read a second time. Let it be stood down until we know what the government is going to do by way of general legislation in this particular and difficult field.

I did not know until this morning that this bill was going to be called. I am surprised that my friend, the member for Beaches-Woodbine (Mr. Wardle) would introduce this bill for second reading this morning. It is second reading?

An hon. member: It is second reading.

Mr. Renwick: Yes. I am surprised that he would do it this morning in the hiatus which exists between an acquiescence in the needs of the city of Toronto and the government's policy about this matter, which has never been before us. We have never had an opportunity to discuss it. All we know is that until two weeks ago, the government was adamantly opposed to this kind of legislation.

In all fairness to the city council of the city of Toronto, this bill should not be proceeded with until such time as we have had before us the general legislation dealing with this question of demolition control. It is not possible for the government of the Province of Ontario to fool around with the city of Toronto on a matter of such urgency as the demolition control provision of Bill Pr20; which is now not part of the bill because it was not reported out. It was so close.

And I may say, you know, we all talk to each other occasionally across the barriers to communication between Tory members and New Democratic Party members. I was satisfied that the member for Scarborough Centre was going to vote for that bill and that provision of the bill. It turned out that he didn't vote for it. The result was that it was a 10 to nine decision in the private bills committee about this matter. Not one single Tory member supported the city of Toronto, when a year ago, on the identical provision, at least three of the Tory members supported it.

It's all right occasionally for Tory unity—I know the clerk is explaining to the Speaker now that since the provision is not in the bill, I shouldn't be speaking about it at all. But, as usual, that's not going to affect my decision to proceed in my comments about it.

I am simply saying to the Tory members for the city of Toronto in a totally non-partisan sense, they cannot defeat the city of Toronto on this issue. It is crucial to the inner core of the city.

It is a matter of urgent need.

If the government is not prepared to introduce legislation substantially the same as the legislation which the city of Toronto wants, then I am asking the assembly not to proceed with this bill today; to leave it at least open that the matter could with unanimous consent, in the ecumenical spirit that we always exhibit when unanimous consent is requested of us—

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): That's got to be the biggest joke of the week.

Mr. Renwick: —be referred back to the private bills committee, so that the city of Toronto will have the benefit in their private legislation of something which is urgently needed.

The game is very nice. The end of the month isn't here yet, but it will be at midnight tonight. We're not going to have the legislation by the end of the month which was the commitment, as I understand it, of the government to the mayor of the city of Toronto. The press report and the statement by the Treasurer yesterday would indicate that cabinet considered the matter, but it has not yet been approved by cabinet, and that the cabinet instructed the ministry to go

back and discuss it with the city of Toronto. For practical purposes I am prepared to say if a bill is introduced by this government early next week, which is the present commitment of the government—but, of course, a new month a new commitment, a new ball game—it will not be the kind of legislation which the city of Toronto wants.

I am asking my friend, the hon. member for Beaches-Woodbine, to acquiesce in a request that this bill be not now read the second time, that he would move on behalf of the city of Toronto that the bill be stood down until this question is finally settled.

Mr. T. A. Wardle (Beaches-Woodbine): Mr. Speaker, the matter of demolition was discussed in this Legislature about one year ago, when at that time it was withdrawn from the city of Toronto bill. I spoke at that time and did suggest the city of Toronto does need some type of demolition authority. It is regrettable that within the past year no acceptable formula was worked out between the city of Toronto and the provincial government.

However, Mr. Speaker, this particular aspect of the city of Toronto bill was withdrawn, and the balance of the items in the city of Toronto bill was passed by the committee. We had the promise of the minister that demolition legislation would be brought forward before the end of May. We did have the statement of the minister the other day that this was quite impossible, but I understand a suggested formula was brought before the cabinet on Wednesday last. The minister mentioned also that he had been in touch with Mayor Crombie of the city of Toronto and they had discussed the matter. While it was not possible to bring this forward before the end of May, I understand the minister's intention is to bring it forward within the next few days.

Therefore, Mr. Speaker, I see no reason to hold up the balance of the legislation requested by the city of Toronto while we await this. I assure you, Mr. Speaker, and the members of the House that I too am concerned about the need for demolition authority by the city of Toronto. I will be pushing the minister and will support what is brought forward. I urge the House to pass this section of the city of Toronto bill.

Mr. I. Deans (Wentworth): Mr. Speaker, if I may make a few comments in regard to this. I happened, by virtue of a motion of the House, to have the privilege of sitting on the committee on the final day of its deliberations on the city of Toronto bill. My reading of the committee was that there were more than just two Conservative members who supported a form of demolition control. Not only the hon. member for Scarborough Centre and not only the hon. member for Beaches-Woodbine, but other Conservative members recognized that there was a need for some form of demolition control for the city of Toronto. It was only because of the position put forward by the minister that they acquiesced in the defeat, in fact, of that section of the bill. Had the minister not said he would bring forward legislation, that section of the bill would have stood and would have been reported here today.

At the meeting I urged the committee to allow the bill to come to the House in its total form. I urged the committee not to take that section out, but rather to report the bill with the section included, in order that we could await the government legislation. And then, having had an opportunity to evaluate the worth of both pieces of legislation, we could have in this House voted to not proceed with the section dealing with demolition control in the city of Toronto.

I thought then, and I think now, that that would have been a much more appropriate way of dealing with that private bill. And I pointed out that if they proceeded as they finally did, and reported the bill without demolition control, there would be no opportunity for another year for the city of Toronto to get what they needed in the event that the government didn't proceed.

Now, I have had government promises before; I have been on the private bills committee for something like five years. I have listened to the government talk about its intention to introduce general legislation. I have seen the government defeat other legislation using the same argument; that "we are going to bring in general legislation and, therefore, this isn't desirable in the particular. We have to have something that affects everyone."

I am genuinely concerned that the government's proposals, when they do come in, if they come in—and I don't even share the view that they might come in, but if they do come in—they won't be adequate, and there will be no opportunity then to do anything with regard to providing the city of Toronto with much-needed protective legislation.

I think that my colleague's suggestion is a very valuable and valid suggestion. The member for Beaches-Woodbine knows the other sections of the bill, if it didn't pass until Wednesday next, wouldn't make any great deal of difference. If this bill didn't go

through until next Tuesday evening, and didn't receive royal assent next Tuesday evening—or, for that matter, next Friday morning—it wouldn't appreciably alter anything in the city of Toronto, because there is not likely to be a crisis arise in any of the sections that have been reported.

What we are suggesting is, that if the commitment of the Treasurer is a firm commitment, and if the government's intention is to follow through on the commitment of the Treasurer, then surely it makes sense that the bill not now be read as second time and that it await the proposals of the government and that they be evaluated over and against what was asked for by the city of Toronto. Then, if need be, we could, by the consent of the House, reintroduce the section that the city of Toronto originally asked for, and we could then proceed with the bill in a way which would allow them to proceed.

I want to ask for clarification on a point; I don't have my rule book right in front of me, but I would like to move that the bill be not now read a second time, but be read a second time this day two weeks hence. I don't believe that that requires notice, and I would ask the Speaker if he would be kind enough to inform me.

Mr. Speaker: There is no notice required; but I would like to have a motion for it, though.

Mr. Deans: No notice; then I move Mr. Speaker that the—

Mr. Speaker: I should like to have a written motion for it, though.

Mr. Deans: I will do it right now if I can find a pad.

Mr. Deans moves that Bill Pr20 be not now read a second time, but be read a second time this day two weeks hence.

Mr. Speaker: Is there any debate on the motion?

Mr. D. M. Deacon (York Centre): Mr. Speaker, I too share the concern about putting this bill forward in such haste. When I look through the provisions that have been approved by the private bills committee, I cannot see anything in them that would indicate great urgency for the passage of this bill.

As everyone knows, the key issue concerning the city is related to the rehabilitation of dwellings and structures rather than their demolition, and in clause 4 of this bill there is the ability to make grants for rehabilitation. The city has had considerable success in doing this in certain areas. Not only has it added a great deal to the community, but it has meant that important housing stock of a very desirable type has been restored and improved, rather than allowed to deteriorate and be demolished.

I would certainly urge that the member introducing this bill support the request, because he did not indicate any urgency at any stage of this bill's progress; in fact, the urgency is that promised general legislation should be introduced as quickly as possible.

It is interesting that only last night the city managed to make an agreement with the developers of St. James Town with regard to development south of St. James Town. They proceeded with that agreement because, although they didn't entirely agree by any means with the type of development that had been agreed to, they felt that there was urgency to provide some alternatives as soon as possible and to get on with the job.

The city council has been most reasonable and sensible in its approach, and I think we should show them the courtesy, and our recognition of their intelligence and appreciation of how to deal with local needs, of standing this down for the two weeks as moved. In that interim we hope we shall see the general legislation that has been promised to us.

I therefore would indicate our support for the amendment.

Mr. Speaker: Does any other member wish to speak to this motion? The hon. member for Beaches-Woodbine had spoken to the motion for second reading. The new motion is before the House; therefore he may speak a second time.

Mr. Wardle: Mr. Speaker, there are two items in this bill which are of some urgency as far as the city of Toronto is concerned, I understand. One is the matter of loans for rehabilitation of dwellings, a very important part of the city of Toronto policy at the moment. The other is the blockage of drains, which is a definite help to homeowners. In addition, there are two or three technical matters.

Two weeks may seem a short time, but two weeks possibly will be a very important time as far as these two items are concerned, so I ask the House to proceed with second reading, Mr. Speaker.

Mr. Deans: Come on; that is so weak. Two weeks is going to make a difference?

Mrs. M. Campbell (St. George): I recognize that this bill in all of its parts has a certain degree of urgency for the city of Toronto, but basically the problem is related to that part which is not reported, which is the demolition control section. I am distressed because, having been present at the committee, I am certain that that portion of the bill was not reported because of the very firm assurance given by the minister that indeed there would be general legislation within two weeks.

As we have come to know, two weeks has passed and we still do not have that legislation. This is in keeping with the assurances given year after year to the city of Toronto and its very real and urgent needs.

Because I would be fearful, frankly, that if this bill were to pass today in second reading, and we would then perhaps forget all about that commitment on demolition control, I am supporting the motion for second reading two weeks hence. I regret that has to be my reason for my support of that particular motion.

Mr. P. D. Lawlor (Lakeshore): Mr. Speaker, for a number of reasons—three—by way of extension by special permission of this House on two previous occasions, this bill was gone over with a fine tooth comb, and elaborately amended to accommodate the minister. I'm sorry he isn't here because he is the blockage in the path of the passage of section 8 particularly.

All the rest of the bill went through without any too grave amendments. A number of delegations appeared including the former minister of everything, Mr. Macaulay, who appeared, in this instance, on his own hook as a private citizen. The arguments were splenetic, went to the point and we extracted, in the course of those hearings, some kind of understanding from the minister, or so we thought. He reneged on it. He played with it. He circumambulated it. Whatever could be done to offset the bill and put it down was done.

Curiously enough, at the end when the vote came, it succeeded by a single vote. A number of Conservative members, standing on their principles and knowing the intent and needs of their own constituents, felt it mandatory on their part, and in conscience, to move rightly in this direction. The new Minister of Labour turned in the midst of the thing. His vote would have been the nine to eight vote. He reversed it using some kind of specious argumentation in the process. I felt that was unworthy of him in that particular, since he spoke rather well and somewhat vociferously, as is his wont, to the principle of this particular section defending it all along when it was attacked in the course of the hearings; except he didn't even have the gumption to attend and forfend with respect to the arguments.

The whole committee room was crowded with ratepayers groups and various interested citizens. The case was well made but not well made just on this occasion; it was made on three subsequent occasions before the House and particularly last year. We went through the whole rigmarole, the very same wording. The whole song and dance was performed and the ritual acts taken. Again, the same minister, on the same occasion well over a year ago, made positive statements that he would come forward—in the fall session we understood—with legislation precisely governing this demolition concept.

It doesn't run counter to Tory thinking or Tory thought or the new image of the Tory party vis-à-vis land acquisitions and what one may do with one's land. On the contrary, it is right up the party's own alley. That's why its own members felt it was perfectly permissible and right in line for them to vote in favour of the section as amended and the repeal provisions in the sections which were not adequate which did not give the proper redress to those who might be hurt in any way.

But that was substantially changed and far more accommodation was made with respect to the builders who would move into the middle of a block. John Sewell appeared with numerous photographs to show what the impact was and what was being done. A whole residential area could be destroyed by simply setting a gaping hole in the midst of the thing, demolishing the particular building in question. It lowers land values so that the sharks may move in and pick up the debris, the flotsam and jetsam, or would stay themselves and create it out of the sea.

All these things were magnificently and adequately handled and, at the end of the day, the minister, feeling the tenor although it was against his own personal grain, conceded and acceded to the requests of the members of the committee, including his own people, and told us he would do certain things.

Why on earth wouldn't the government now at this stage move in? I've stated in committee and will state here in this House again that I'm not wholly satisfied that the product which will be produced by the minister at the end of the day will closely resemble what

is being sought after or will be efficacious in this particular regard.

As a matter of fact, I have very severe doubts. If the design of the government is precisely to bring in some watered down malfunctioning piece of legislation because it has some ideological hangup as to what developers' rights are over against the rest of the citizenry. If that's the purpose of the thing, then they are effecting it very well this morning, because I would suspect they have removed from contention the more adequate documents over against some unknown and nebulous possible entity.

Mr. M. Cassidy (Ottawa Centre): That's right.

Mr. Lawlor: And now we have to wait upon them again. It's a case again of arbitrariness, high-handedness and a touch of the dictatorial which seems to have pervaded this House of recent days, and hours. I thought that we had seen the demise to it for a while as a result of our standing firm the other night; but no, we start all over again.

Will they never learn? What goes on in their mentality? Have they no concept of the democratic? Do they think mere bulk and force of numbers is going to rule? Well, it can't rule as far as we are concerned. We shall stand against it on every possible occasion when we feel coerced or afflicted. That is our democratic responsibility. That's the way parliaments work in the western world, and the sooner a little bit of this heritage becomes evident in this particular chamber then the better it'll be for all concerned, including that party over there. Thank you, Mr. Speaker.

Mr. Deacon: Mr. Speaker, perhaps the members would allow me to interrupt this debate to introduce a group from Unionville, a very fine community north and east of Toronto, which I know very well. There are 30 students with Mr. Chester from Mark II Public School.

Mrs. M. Scrivener (St. David): Mr. Speaker, may I also draw your attention the presence of students from Deer Park. My children from Deer Park Public School have arrived with their teacher Mr. David George.

Mr. S. Lewis (Scarborough West): What does the member mean, "my children"? She means "the children." They happen to reside, unhappily, in her riding, but they are not her children, fortunately for all of us.

Mr. Cassidy: This mother image—

Mr. Lewis: "The" children.

An hon. member: The member should be ashamed of himself.

Mr. Speaker: Any further discussion on this motion?

Mr. Lewis: No, one learns after 11 years never to give up.

Mr. Speaker: I must point out to the hon. members that in reviewing the standing orders pertaining to private bills, I do not find that the provision for this sort of motion exists in the standing orders, but at the same time I can find no prohibition.

Mr. Deans: That's right.

Mr. Speaker: Therefore, in the absence of any standing order prohibiting this procedure, I am going to accept the procedure and I am going to put the motion before the House.

The first question to be decided is the motion whether or not Bill Pr20 shall be now read a second time.

The House divided on the motion that Bill Pr20, be now read a second time, which was approved on the following vote:

AYES	NAYS
Allan	Braithwaite
Apps	Breithaupt
Auld	Burr
Bales	Campbell
Beckett	Cassidy
Birch	Deacon
Carton	Deans
Clement	Dukszta
Davis	Ferrier
Drea	Gaunt
Eaton	Lewis
Evans	MacDonald
Ewen	Martel
Gilbertson	Newman
Grossman	(Windsor-Walkerville)
Hamilton	Renwick
Havrot	Riddell
Hodgson	Roy
(Victoria-Haliburton)	Young—18.
Hodgson	
(York North)	
Kennedy	
Kerr	
Lane	
Leluk	
MacBeth	
McIlveen	
McKeough	
Meen	
Morningstar	

AYES

Newman
(Ontario South)
Nixon
(Dovercourt)
Nuttall
Parrott
Rhodes
Root
Rowe
Scrivener
Smith
(Simcoe East)
Smith
(Hamilton Mountain)
Snow
Stewart
Taylor
Timbrell
Turner
Villeneuve
Wardle
Welch
Winkler—47.

Clerk of the House: Mr. Speaker, the "ayes" are 47, the "nays" 18.

Mr. Speaker: I declare the motion for second reading now carried.

Motion agreed to; second reading of the bill.

Mrs. Campbell: Mr. Speaker, before we proceed, I am rising on a point of order. I should like to know why the estimates of the Ministry of Colleges and Universities did not go on today, in view of the fact that the explanation given to the committee was that it could not proceed because the minister (Mr. Auld) was absent by reason of the serious illness of his wife. I would like an explanation, if I may?

Hon. Mr. Winkler: Mr. Speaker, I would think that that explanation was sufficient.

Mrs. Campbell: It is obvious, Mr. Speaker, that the minister is here, and I should like to have an answer as to why we didn't proceed.

Interjections by hon. members.

Hon. J. R. Rhodes (Minister of Transportation and Communications): What bad taste!

Clerk of the House: The 28th order, House in committee of supply.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD

Mr. Chairman: Estimates of the Ministry of Agriculture and Food; does the hon. minister have an opening statement? The hon. minister.

Hon. W. A. Stewart (Minister of Agriculture and Food): In view of the fact that it is now 12 o'clock I would suggest that the estimates of the Ministry of Agriculture and Food, which I take great pride and pleasure in presenting again for the consideration of the members of the House, should be proceeded with. I will have comments to make as we proceed with these estimates and the various matters before us for consideration.

In view of the fact that there has been some delay in proceeding this morning and because of certain commitments which have been made, I would defer now to the agricultural critic of the New Democratic Party who, I believe, will proceed ahead of the agricultural critic of the Liberal Party this morning. I will be pleased to hear him.

Mr. D. C. MacDonald (York South): I would just like to explain why I applauded when the Minister of Agriculture and Food rose to introduce his estimates. Unless anybody should misinterpret that applause; it was such an achievement, to finally get these estimates on. I was applauding his arising, not necessarily what he was going to say or what he stands for by way of agriculture.

Hon. Mr. Stewart: You don't need to spoil it. I thought you agreed.

Mr. MacDonald: I know. I wanted to spoil it at the beginning so we know exactly where we stand.

Hon. Mr. Stewart: I think I know where we will be at the end, too.

Mr. I. Deans (Wentworth): Now he wants to rise and make a statement.

Mr. MacDonald: Mr. Chairman, I'd like to express my appreciation to the hon. member for Huron-Bruce (Mr. Gaunt). I'll have to be frank with you; I have other commitments which will take me out of the House early next week. They are unavoidable.

Mr. S. Lewis (Scarborough West): He's not a scholar but a gentleman.

Mr. MacDonald: Therefore, if I didn't get a chance to say a bit of a piece now, I wouldn't have a chance at all because I'm

rather certain that before I get back these will be cleaned off. I will miss some opportunity in the detailed estimates but that perhaps will wait until we get to the eve of the election next year.

By way of some overall comments, Mr. Chairman, I'd like to start out with the contention that the government in Ontario has no long-term policy for agriculture. Its policy is piecemeal; its record is a classic in ad hoc-ery. It reacts to crises and to needs once they become so pressing that there is no alternative but to act. It rarely anticipates those needs.

I would concede there is a general problem in attempting to shape an overall policy and a long-term policy for agriculture not only in the Province of Ontario but generally all across the country. Part of the difficulty stems from the fact that agriculture is an incredibly balkanized industry. For the moment I'm not referring to all of the middlemen who stand between the primary producer and the consumer. I'm focusing exclusively on the balkanized nature of the primary producer sector of the food industry. In the Province of Ontario we have some 20 marketing boards and many other groups and various kinds of associations, often with conflicting interests.

We recall some years ago, when we were moving toward consideration of authorizing oleo-margarine in this province, that a fairly sharp conflict emerged between the traditional dairy industry and the vegetable oils industry—another branch, in some respects, of agriculture—which is the basis, of course, for the production of oleo-margarine.

We have continuing conflicts, though they often do not surface, between various kinds of meat producers—beef and pork—therefore there is the contention that it would be better to have an overall meat board which would be in a position to reconcile some of these conflicts. And indeed, conflicts between beef and/or pork and the poultry industry. More recently we've had conflicts in this country, if we lift our gaze for a moment, between western and eastern farm interests. These have been particularly sharp and particularly difficult to cope with.

Finally, of course, in the last two or three years an intense conflict has developed as between consumers and producers, or consumers and farmers, because of the rather unprecedented increase in consumer prices. This has aroused great public indignation, and we have it all illustrated in this government.

I pointed out last year, when we were discussing the estimates, the different kind of thrust—indeed, sometimes it is almost open conflict—between two ministers. The Minister of Agriculture and Food champions farmers when he feels free to do so—and the cabinet is not likely going to restrict him unduly—while his colleague, the Minister of Consumer and Commercial Relations (Mr. Clement), who has very little appreciation of the many aspects of agriculture, at least for a time posed as a rather vigorous and aggressive champion of consumers.

For those of us who had the opportunity to attend that conference that was called down at the Royal York Hotel a year or so ago, all one has to do is to read between the lines as well as what was written in the lines of the speeches given by the Minister of Agriculture and Food and the Minister of Consumer and Commercial Relations, to find out that there were unresolved attitudes and unresolved policies right within the government itself.

Coming back to farmers—the primary producer—I want to suggest that the only person who is in a position, not necessarily to eliminate these conflicts, but at least to reconcile them to the extent that it is possible to reconcile them within the farming community itself, is the Minister of Agriculture and Food. And my main criticism of this minister is that he makes no real effort in that sense. He tends to be a passive Minister of Agriculture and Food. He doesn't anticipate needs and move to cope with them before they develop into a crisis.

I want to be perfectly fair, because quite frankly—and I say this even in the presence of the hon. member for Middlesex South (Mr. Eaton)—in the ranks of the government forces over there the only man who knows anything about agriculture in any comprehensive sense is the minister. One of the problems is, who in heaven's name are they going to get if he were ever to step out of it?

I am fascinated when I move across the country to discover some of the new candidates who are being blessed by the Premier (Mr. Davis) to come into the picture, and all of whom are saying locally that they are prospective ministers of agriculture. They are attempting to sort of fill this vacuum. But the minister leads a difficult life. He lives within a cabinet which basically is not interested in agriculture except for political purposes.

Hon. Mr. Stewart: Oh, no.

Mr. MacDonald: He lives within a cabinet which has no appreciation of the problems of agriculture—

An hon. member: Does the member think he is the one?

Mr. MacDonald: —because agriculture is traditionally a victim of those dominant economic interests who are the blood brothers of a Tory party, and whom this government serves day in and day out.

Mr. E. P. Morningstar (Welland): The minister does a good job.

Mr. MacDonald: And it is for that reason that I suppose the minister is maybe being a little bit wise not to rush out and be too aggressive, because if he gets too far away he will be chopped off by his own colleagues back in the cabinet. And that's embarrassing. It's embarrassing for him, it's embarrassing for the government. So he takes no real initiative in attempting to reconcile these difficulties.

Now, let me give you one example of the kind of thing I mean. The minister is often very critical of the Liberals in Ottawa—and particularly of the Liberal Minister of Agriculture up there, who at least has developed a public posture of being a vigorous champion of farmers.

Hon. Mr. Stewart: The member hasn't heard me criticize him, ever.

Mr. MacDonald: Is that right?

Hon. Mr. Stewart: Never. Where did the member hear me criticize him?

Mr. MacDonald: Let that get on the record.

Mr. Lewis: What, Eugene Whelan? The minister doesn't criticize Eugene Whelan?

Mr. MacDonald: He never criticizes him?

Mr. Lewis: The minister is more a captive of corporate forces than we thought.

An hon. member: Well, there's really no difference.

Mr. Lewis: The man is impossible. He is a disaster.

Mr. M. Cassidy (Ottawa Centre): The minister made a few comments on their dairy policy.

Mr. MacDonald: The problem with Eugene Whelan— and I digress, Mr. Chairman, only for about 30 seconds, so just relax. The problem with Eugene Whelan is essentially the minister's problem. He would like—because it's the nature of the guy—to be a vigorous champion of farmers. But once again he lives within a cabinet that has no appreciation of agriculture and has no willingness to plan, in a long-term sense, for agriculture. Therefore, we have, for example, the comment of Gene Whelan the other day that we are going to have a milk shortage in this country—in fact, so much so, that five years from now there may well be milk rationing. Coming from the minister who had just enunciated a dairy policy which has chiselled continuously, and once again now, on the price of milk, so you have a constant uproar among industrial milk producers with regard to the inadequacy of it, it has done nothing to really halt the mass exodus out of the dairy industry. Coming from him, one wonders why on one hand he is enunciating policies that aren't coping with the situation and then, in the next breath, he is trying to warn the public that we are going to have a shortage of milk five years from now when they have to ration it.

Hon. Mr. Stewart: He was warning his colleagues.

Mr. MacDonald: Was he?

Hon. Mr. Stewart: Because that is a problem for Ottawa but not here.

Mr. MacDonald: I wonder, Mr. Chairman, what the minister was doing then when he made exactly the same kind of a comment.

Mr. Deans: Warning his colleagues.

Mr. MacDonald: I have a copy of a speech here that was delivered by the minister to the Elgin-Middlesex Jersey Cattle Club at St. Thomas on March 15.

Hon. Mr. Stewart: A pretty good speech.

Mr. MacDonald: A pretty good speech?

Hon. Mr. Stewart: I think so.

Mr. Deans: Who wrote that?

Mr. MacDonald: I don't know who wrote it but I know who delivered it—at least, to whom it was credited.

Hon. Mr. Stewart: It is nice to know you read them, that is an enlightening thing.

Mr. Lewis: Oh, we do.

Mr. MacDonald: Let me give you the exact wording, Mr. Chairman. On page 5 of the speech you said: "It is essential there be further increases in the price of milk paid to the producer."

Hon. Mr. Stewart: Right.

Mr. MacDonald: Good?

Hon. Mr. Stewart: Right.

Mr. MacDonald: Where in heaven's name were you one year ago when you stood along with the Milk Commission and cut back a move of the Milk Marketing Board to increase the price 57 cents and you cut it back to 35 cents? And you were so wrong.

Mr. Lewis: You defended it.

Hon. Mr. Stewart: That is not right, Mr. Chairman. On a point of order, the member sat in the Royal York Hotel—

Mr. Deans: There is no point of order. Nothing is out of order.

Hon. Mr. Stewart: —and heard me say that the Milk Marketing Board should come back before the commission with a reapplication for an increase in milk prices, and he says that.

Mr. Lewis: That was after you first capitulated.

Interjections by hon. members.

Mr. MacDonald: It is interesting that he has retreated to the point of now saying that he asked them to come back. Originally the position he was taking in this House was that they had read the formula unduly and that they had asked for more than they were entitled to. I am told by the people in the OMMB that they always lead the formula a little bit, particularly if you are in a period of rising prices, for the simple reason that you don't want to be increasing prices every four or five weeks; it becomes upsetting to everybody concerned. The proof of the fact that they weren't leading the formula very much—and then you climbed on the bandwagon to save your own embarrassment by saying, come back again—is when they got a price increase on Jan. 1, cut back by the Milk Commission with your approval from 57 cent to 35 cent, literally within five weeks the formula had caught up and passed them to the point where they had to make another application, which was heard in early March and given approval on April 1, so you had two milk increases within a three-month period.

This is the point I am attempting to make to the minister. If the minister is on top of the job, if the minister is doing long-term planning, he doesn't chisel along with the Milk Commission, whatever its role. The farmers are mystified and I am mystified sometimes. He doesn't chisel on a right to get a price increase which would have tucked them into the industry. That was the beginning of a year in which 2,100 dairy farmers went out of business in the Province of Ontario. So it is idle for the minister 12 months later to be getting up like Gene Whelan and trying to warn his colleagues—if that is what this minister is doing, since he thinks that is what Gene Whelan was doing—when he was the man who did have that kind of a policy one year ago.

This is precisely the point I make. If the Minister of Agriculture and Food can't see the long-term interest of an aspect of the industry like milk, if he can't see more than five weeks beyond the end of his nose, how in heaven's name can we expect to get an agricultural policy that is going to guarantee the security of any branch of industry, whether it be dairy or any other? That is the problem. And that is one by way of one illustration of a documentation of it.

Now, before I go on to other aspects, Mr. Chairman, I want to briefly discuss some of the general conditions in agriculture at the moment.

When I tried, with the very greatest of difficulty, to find anything that might give up-to-date and authoritative figures, I was fascinated to discover in the back of the Outlook '74 document, which was given at the conference last fall, that there are statistics which show the income for 1970, 1971, 1972, 1973 and the forecast for 1974.

I want to remind the House of just how incredible is the condition of agriculture incomes traditionally—and those incomes are a product of the kinds of policies that I am deploring, of ministers both in Ottawa and here, who have never planned, because they are not free to plan, for the long-term security of agriculture. They are the servants of those who don't want agriculture to have long-term security. They want them to be victims.

They want them to be in the position that fulfils that classic comment of the late J. S. MacLean from Canada Packers, who said: "We pay the farmers as little as we can. We charge the consumers as much as the traffic will bear. That's business." And governments do nothing to stop those middlemen—we will get to that in a moment—from exploiting both the primary producer and the consumer.

What's the net result, Mr. Chairman? Do you realize that in 1971, at the end of what were 20 years of almost continuous depression for agriculture—because from 1951 on prices were generally level, costs of produc-

tion were going up, and net farm incomes were dropping? In 1971, the average net farm income in the Province of Ontario was $3,570. In 1972 it had risen to $5,150. In 1973, it had risen to $7,960. In short, there had been a 125 per cent increase over that three-year period.

Still, in the third year, 1973, among what is alleged to be the aristocrats of the farming industry, namely dairying, we had 2,100 dairy farmers leaving, and a mass exodus from agriculture generally across the country, including the Province of Ontario. Why? Because they had no assurance by way of government policies, enunciated or implemented, that they were going to escape from the old tradition of a few years of boom and long years of bust.

If they need any reminder of the danger of that kind of prospect once again, they have it in terms of the drop in certain prices, for beef, pork and other things, after they have had this brief period of prosperity.

There is another reason why they are not so pleased, Mr. Chairman, and it's fascinating to get this into context. The net income of the average farmer in the Province of Ontario in 1973, $7,960, happens to be approximately $600 less than the income of the average industrial worker, which was $8,600 a year.

An hon. member: Right.

Mr. MacDonald: In short, the farmer who may have had a capital investment of anywhere from $100,000 to $150,000, and in this calculation was likely contributing his labour free, was ending up with a net income that was $600 less than the industrial worker who had perhaps nothing more than a few tools and certainly nothing more than his hands to go and work in the mill.

I am not complaining about what the industrial worker is getting, because with today's cost of living he's getting no more than he is entitled to. I just remind you just how incredible the average net income of agriculture has been down through the years. And Tory governments here and Liberal governments in Ottawa have never done anything effectively to cope with that situation.

The burden of my remarks is going to be to take a look at what they can and should be doing, so that we don't slip back into that old boom-bust cycle. However, let me get into another aspect in terms of the general picture, before I move on to that. I refer to the split in the consumer dollar. Last year I put these figures on the record, and I would like to do so again and try to bring them up to date to the extent that it is possible in getting up-to-date statistics.

Twenty years ago, 60 cents of the consumer dollar—what the housewife paid for food generally—went back to the primary producer. In the last 20-year period, the consumer's share of that has slipped from 60 cents down to 36 cents. That was the figure about 1971, at the end of that 20 years of depression, when we began to move into this period of escalating prices.

That was the primary producer's gross income, his gross income before he had paid his costs of production. In other words, the income he got at the farm gate. And when you took into account his costs of production, what the farmer was left with was 11 cents of the consumer dollar. So his gross is 36 cents and his net is 11 cents of the consumer dollar.

I think that is rather an interesting figure when you take it in the context of another point that I want to sort of set out by way of basic statistics, so that we can look at some of its implications later. That is, that the average person in the city, the consumer, thinks of the food industry—our biggest industry in this country—as being the farmers.

The fact of the matter is that the farmers represent only 20 per cent of the food industry. Only 20 per cent. The rest of the food industry is made up of transportation, of storage, of processing, of packaging, of wholesaling, of retailing. And they are the people who are gobbling up 85 per cent of the consumer's dollar. They are that great and growing group of middlemen who are in the marketplace and who have the power to do whatever they want, and they do it, so that the farmers at the end of the food chain, in effect, get what is left. That, I would concede, has been checked to some degree by marketing boards and by other methods, but generally speaking the farmer is still the relatively helpless victim at the end of the food chain.

Bear those figures in mind, because I want to come back to some of them. I think they are sort of basic for an appreciation of the position in the food marketing arena today and particularly the farmers' position in that. I want to move on now to deal with what I describe as four or five foundation stones for a long-term agricultural policy that is comprehensive and isn't just piecemeal, ad hoc reacting to crises as they are arising.

The first need, Mr. Chairman, is a stabilization plan for agriculture. I know that the minister pays lip service to this, and I know that the government in Ottawa pays lip

service to it. In fact, with the prospect of an election coming, they not only paid lip service but they included the promise of a stabilization plan for agricultural products in their Throne Speech. It was interesting that their sense of priorities was such that they spent their time arguing over whether or not we should have another football team in Toronto, rather than getting into the legislation which might set up a stabilization fund. So we're still waiting for it. It's still out in the never-never land where those promises for the stabilization of agriculture have always rested down through the years.

I was interested, in attending this year's meeting of the pork producers, to discover that they have moved rather vigorously in presenting a proposal. They wrote to the minister on March 8 and they drew attention to the fact that they were supporting some national organization, the Canadian Pork Council, for the immediate establishment of a stabilization fund, tied in with input costs, and they asked the provincial government to take some initiative on it. They made some points with regard to the stabilization plan. They said it should be a stabilization plan that would be tied to input costs of today, and not to historic input costs of the average for the last five years or the last 10 years, because those input costs of the last five or 10 years may be completely irrelevant.

Now, interestingly enough, since we've got an election on our hands—and, again, characteristic of the piecemeal reaction approach of the government in Ottawa—within the past week the government in Ottawa has responded with a stabilization fund. I am interested to discover, as I talk to people associated with the pork industry, that they have reacted to the whole thing with mixed feelings. It clearly is a step in the right direction but it comes up with something of a new concept on how you are going to stabilize and its inadequacies stare you in the face.

It is not really a stabilization plan which provides some incentive for pork producers to expand in the industry. It is a stop-loss kind of approach to keep them at least from leaving the industry. That's about the best you can say for it.

What it does is to promise that $22—if I remember the figure—

Mr. M. Gaunt (Huron-Bruce): It's $22.50.

Mr. MacDonald: Yes, $22.50 will be the margin between wholesale prices and the price they will get for a hog. Presumably if any deficiency emerges because feed costs are too high or the prices the farmer gets are too low they will bridge that gap. They will assure the farmer of that.

That is just covering input costs in terms of feed alone. It doesn't cover the cost of the weanling; it doesn't cover the cost of labour; it doesn't cover the cost of taxes; it covers none of the other costs. I can understand the perplexed reaction of the hog producers and of some other provincial governments which have publicly reacted to it. They don't want to look a gift horse in the mouth. I presume the reaction of this government will be a mild sigh of relief that Ottawa has at least moved in some direction and has at least sort of contained the situation.

Surely one can't come to any conclusion other than this is no long-term solution. This is no stabilization fund of the kind that is going to provide some real security for agriculture in the future.

I want to say to the minister that one of what I describe as the foundation stones for a long-term policy is that I think provincial governments have responsibility to move into this field. I frankly concede to the minister that if provincial governments move too far and begin to create too great discrepancies between provinces, you, in effect, will have your public treasury milked by products flowing in from another province. Therefore, you can't get too far ahead but I make my point here, as I have made it so many times before: If you really want to get Ottawa to move with vigour, the most convincing way to make it move with vigour is some evidence that you have been willing to move in the field.

Hon. Mr. Stewart: What about Saskatchewan? It sure moved with vigour and Ottawa left it dangling and it is still dangling.

Mr. MacDonald: I refer you to what has happened in terms of a long-term solution, not any ad hoc measure taken to cope with pork or whatever you may be referring to. Take the long-term solution brought in by the Minister of Agriculture in BC. That is the framework, the mechanism, for establishing a stabilization fund which in the first instance is going to be voluntary; any commodity group can vote itself into it.

They expected the first group to move into it would be the fruit producers but interestingly enough—as far as I know; I am not up to date on the information— they have completed their arrangements with the milk producers. They got in there ahead even of the fruit industry in the Province of British Columbia. At the moment it is going to be half paid by the farmers and half paid by the

BC government. There is an open invitation for the federal government to come in so the cost of this will be a three-way split.

I am rather interested, Mr. Chairman, in why the minister feels this kind of thing can't be done in Ontario. I am even more interested in knowing what the minister's policy is because the only exposure I have had to what may conceivably be government policy was listening to the parliamentary assistant when we shared a platform in Durham about a month or two ago and he was pouring scorn on the proposition of stabilization funds.

Mr. R. G. Eaton (Middlesex South): Now, now.

Mr. MacDonald: You just listen to what I have to say about what you said and if I am wrong you will have a chance later in the debate. What he was saying was that farmers don't want to get sucked into the proposition of using some of their money now to build a fund to protect their interests in the future. It was the old argument that we operate on a free market and what it will pay now, with none of the kinds of protections for four or five years from now. I was shocked by the proposition and I will tell my hon. friend from Middlesex South there were an awful lot of hog producers at that meeting who were shocked too. They had just sent in a copy of their letter and their request for a stabilization fund and to have the so-called heir-apparent appearing at a meeting in Durham and shooting the whole concept down as being a false thing that farmers weren't interested in—

Mr. Eaton: I didn't shoot the concept down.

Mr. MacDonald: You shot the concept down as it is now being discussed at the present time.

Mr. J. R. Breithaupt (Kitchener): Heir-presumptive, not heir-apparent.

Mr. J. Riddell (Huron): That is not surprising.

Mr. MacDonald: Heir-presumptive? Heir-presumptive is another term for the most ardent preaching for a call I have seen around this Legislature for quite some time. But there is such a vacuum that if the minister were to move out I suppose he might have no difficulty in moving into the vacuum. Vacuums are filled sometimes by unexpected—

Mr. Breithaupt: Nature abhors them.

Mr. MacDonald: Yes, nature abhors them.

Hon. Mr. Stewart: I will tell you over there that there isn't any. The real vacuum is over there. There just isn't anything there and there won't be after the next election.

Mr. MacDonald: I will tell you that that is the kind of idle prattle I've listened to from you and your colleagues since back in the 1950s.

Hon. Mr. Stewart: But it is so truthful and so factual.

Mr. MacDonald: When I first arrived you said I was an overnight guest. I will tell you something, years after you have gone back to pasture, I will still be here. So just don't indulge, when you feel a little bit on the defensive—

Mr. J. A. Renwick (Riverdale): The member for Haldimand-Norfolk (Mr. Allan) knows what that means.

Mr. MacDonald: —in some of this political rhetoric. When the minister indulges in political rhetoric, I know that his position is weak. He fills the vacuum with the rhetoric.

Let me move on to the second foundation stone, Mr. Chairman, and that is that we need a stabilization plan for agriculture, which the province should be playing a part in building. In the building of that stabilization plan, we have got to accept the basic proposition that farmers are entitled to an income which will cover their cost of production plus a fair return in terms of capital and labour. That sounds so reasonable that it is almost banal; but it has never happened. We have for years in this country gone through a succession of ad hoc reactions by governments that really didn't want to do anything fundamental or weren't freed by the corporate sector to do anything fundamental, such as laying a floor for farm prices.

I remember back in the days of dear old Jimmy Gardiner, God rest his soul, who could never persuade the government in Ottawa to move until the situation had reached crisis proportions, and then of course they put a floor under prices that was far below the farmers' cost of production. Then we moved into the concept of deficiency prices. Then we played with the concept of forward pricing that presumably was going to be geared to input costs. Then in the Province of Ontario we got all hooked for a time on the idea of incentive prices to give farmers the incentive to stay and produce, because even if we happened to have surpluses, and could solve that distribution problem, there was two-thirds of the human family in desperate need of more food.

The government set up its committee. I repeat what I have said before, and I have said it to the people involved, except for the one who can't be with us or isn't with us any more, that committee was a cop-out. It was a cop-out because it wouldn't come to grips with the admittedly great technical problems in terms of some stabilization of farm prices on the basis of input costs that would involve federal and provincial co-operation.

I would like to have the minister, not up on his podium shooting darts at me—that's a waste of time because they usually don't hit—but speaking his mind on terms of what kind of a stabilization programme we should be having, and what the Province of Ontario is willing to do for that kind of stabilization programme. I repeat, it's got to be approved and must start with a clear relationship to input costs.

I was fascinated a week or so ago to go to a meeting—and, incidentally, Mr. Chairman, where in heaven's name the Tories were I don't know. It was a meeting called by the Federation of Agriculture down in the Nepean sports complex on the outskirts of Ottawa, in which 700 industrial milk producers came from throughout the Ottawa Valley. They were bused in from down in Glengarry and they were bused in from down in Kingston; they came across from Wolfe Island—700 of them, mad as blazes. They were mad at Gene Whelan and the Liberals for the inadequacy of the assistance to industrial milk. They invited people from all parties to come and speak their piece.

I expected to have a whole sort of a gathering of politicians there in which you wouldn't be able to get two minutes apiece, and to my utter amazement I was the only politician there. There were no Liberals and no Tories, even in that Tory land of eastern Ontario where you had a field day against Eugene Whelan. There wasn't a single Tory who was interested enough in the plight of the industrial milk producers to be there and speak on behalf of his party.

Mr. Cassidy: Shame.

Hon. Mr. Stewart: I didn't even know it was on.

Mr. MacDonald: No?

Mr. Cassidy: We've tried and tried and tried—

Mr. MacDonald: I can tell the minister that some of the people who organized the meeting used to be Tories and they did their best to get some Tory to be there. However, I just wanted to remind the minister of that little episode, because it was in the context of that that I got some rather interesting information.

Alex Bell, who was the eastern Ontario representative of the Ontario Milk Marketing Board, and some of the researchers, had gone out and they had studied—I've forgotten the exact number of farms now—their cost of production and they came up with the figure that the cost of production for a hundredweight of milk was $10.85. That was documented. Indeed, if the minister is interested in the documentation I have copies of it here and I'm sure he can get it from the Federation of Agriculture office.

That was very interesting, because we had just had an increase in the aristocrat of the dairy industry, the fluid milk price, to $10.45. It was an interesting reminder, Mr. Chairman, that the formula by which fluid milk is priced is not an input cost formula, it is an economic formula that includes input costs and a lot of other factors, such as the consumers' capacity to pay and a number of other things. On the basis of input costs the fluid milk producer was getting 40 cents less than he should be getting, even though he had just had a price increase. As for the industrial milk producer, he's down about $8 and something, I've forgotten what it is now in terms of the inadequate subsidy that Eugene Whelan came across with.

We have got to develop, Mr. Chairman, the kind of thing that I hoped for—and that's why I was such an enthusiastic supporter of the minister's income committee—a committee here in Ontario, preferably in conjunction with the government in Ottawa, because ultimately the two governments must be involved—which will develop pricing for agricultural products, which will be geared to cost of production and which will finally make agriculture a small business that will operate like a business; not exploiting their own labour and not living on their own capital, but getting the kind of return that will keep them in there and provide an incentive to stay in business. That's the second cornerstone or foundation stone which I think we've got to have if we're going to have a long-term agricultural policy.

The third one, Mr. Chairman, is that this government, sooner or later, has got to forsake its ideological, doctrinaire refusal to intervene in the marketplace to the point of establishing some mechanism for prices review, not only for the farmers in terms of their input cost, but also for the producers. I

don't want to rehash what we've discussed in this House in many other contexts, the absolute need for the Minister of Energy (Mr. McKeough) to bring in a bill which will amend the powers of the Energy Board so that it will have the authority and the power to review prices and, when it finds—as it did, for example, in Nova Scotia—that the price isn't justified, the power to roll back those prices. While that's of general interest for the gasoline consumer, let me say that there is nobody who is more interested in that than the farmers, because 30 per cent of the cost of agriculture, as calculated by some experts, is an energy cost and the farmer is really being creamed by the kind of exorbitant increase that has taken place recently in energy costs. The Minister of Consumer and Commercial Relations has talked about various things that he was going to do, but he has done nothing effective as yet. The Minister of Agriculture and Food might move, but he won't move.

I have here, for example, a copy of the report that was produced in the Province of Manitoba on one of the major farm input costs—namely, fertilizer. I know that the minister found it a very revealing and, in some sense, a shocking kind of document.

Just let me anticipate some interjection from the minister. I'm not one to suggest that what they have found out in Manitoba necessarily applies in the Province of Ontario, nor, when Manitoba moves—as you can bet your bottom dollar they will ultimately, and I suspect will be very soon moved—to cope with the situation, that their action will necessarily be the kind of action that should be taken in the Province of Ontario. But nonetheless, what comes out in this report does have general application here.

They found that there was price manipulation. They found that there was price discrimination. They found that the company in Manitoba, which had been financed with public funds to a great extent—a $23 million loan from the Manitoba Development Corp. and a $5 million loan from the Manitoba government—was selling its products cheaper to its parent company in the United States than it was to the consumers of the Province of Manitoba. They tried to investigate why the parent company had violated its agreement to supply phosphate for the production in Manitoba.

They discovered that, in a very strange but effective and clearly organized fashion, there was a combine. This fertilizer company in Manitoba, publicly financed at least in part, was part of an arrangement in pricing that not only included the three Prairie provinces, but included a block of the states in the United States bordering on the US-Canadian border. These multinational corporations just span the border. Little wonder, when the premiers met a few weeks ago in western Canada, that the three of them agreed that they were going to set up a mechanism, which they are in the process of setting up, to review and to seek justification for the price of the two major farm inputs, namely fertilizers and farm machinery. And that includes Peter Lougheed of Alberta, because they are approaching it jointly. They have discovered enough information to know that they have got a joint programme.

I began to raise this issue back in early March, and immediately the minister said, "Well, we are doing something. We are holding a conference." It was held down in the Four Seasons Hotel about March 8 or 10 or thereabouts. This was presumably this government's answer to it. It was no answer. As I stated later in question period, what happened at that conference is something you could've predicted, namely they confirmed what everybody knew: that there was a shortage of fertilizer and the companies were using the shortage as an opportunity to increase prices.

Well, I was fascinated to read in Farm and Country, which sometimes acts as though it were a house organ of the government, but at other times can be critical—

Hon. Mr. Stewart: A very wise paper, a very perceptive paper.

Mr. MacDonald: Very perceptive? You mean, because it acts as a house organ for the government?

Hon. Mr. Stewart: No, not at all.

Mr. MacDonald: That's an interesting commentary on your concept of freedom of the press.

Hon. Mr. Stewart: A very perceptive paper.

Mr. MacDonald: However, on this occasion this could—

Hon. Mr. Stewart: Just because they don't espouse your philosophy—

Mr. MacDonald: Right. On this occasion they were very perceptive—

Interjection by an hon. member.

Mr. MacDonald: They were very perceptive, Mr. Chairman. They carried a front-

page story in which they reported on the minister's conference. And let me read four paragraphs:

> Edward Thompson, a Guelph area cash cropper, fertilizer dealer and active Ontario Federation of Agriculture member, broke up the recent national fertilizer conference with his accusation that the meeting was "a whitewash."
>
> The speakers had repeatedly told the 180 delegates present that farmers everywhere will have serious problems finding enough fertilizer for at least three years. No farmer organization was asked to present a brief, or even comment on speakers' statements. Question periods were minimal.
>
> "There is no fertilizer crisis in Canada," Thompson explained. "I sat at the meeting for a day and one half. I listened to 26 speakers, all from governments and the fertilizer industry, to justify their position."
>
> After Thompson slammed the meeting for making no real efforts to solve the fertilizer supply situation, he was supported by OFA President Gordon Hill, National Farmers Union vice-president Walter Miller, and Christian Farmers Federation President Martin Verkuyl.

That's a pretty devastating analysis by a perceptive newspaper, if I may borrow the minister's description. They certainly saw through his effort, which was a bit of political footwork that did nothing at all about the problem.

I come back to the point I am making: We need to have some capacity for reviewing prices, not only the prices to the consumer, whether it be energy, food prices or across the board generally for things such as automobiles, as we heard this morning. We also need to have some prices review mechanism, such as the four western provinces are now establishing, to take a look at major farm input costs, like fertilizer and farm machinery, so that you will help to build greater security for agriculture by cutting the farmer's costs as well as by getting him a fair return in the marketplace.

About a month or so ago in this House, the Minister of Agriculture and Food stated that virtually all of the increased costs of food to the consumer today was going back to the farmer. You know, I could hardly believe my ears when I listened to the Minister of Agriculture and Food make that kind of a statement. He knows it isn't true; but if he doesn't know it isn't true—well, I hardly know what would be the appropriate comment.

Food processing profits went up by some 81 per cent in the last quarter of last year, as compared with a year ago. If I may go back to those basic statistics that I gave: 80 per cent of the food industry is not agriculture. It is crowding that space in the food chain, so to speak, between the primary producer and the consumer; and it is gobbling too much of the consumer's dollar so that not enough is getting back to agriculture.

There is need for some review, some rationalization of what is going on in the food chain so that the person who does the most work, namely the farmer, will be able to get what he is entitled to get.

We have had studies; we had the Bratten study out in western Canada; a study with regard to the operations of the supermarkets. And Judge Bratten's report was that there was far too much cost wastage in terms of very splendiferous surroundings, of excessive parking space, of marketing procedures, of gimmicks. And of advertising that wasn't advertising for the normal purpose, as was pointed out by some of the studies done for your own income committee. It is to confuse the buyer and keep him confused so that he doesn't know what relative prices are. That's the purpose of the advertising. Thus, the supermarkets cut into a considerable percentage of the consumer dollar. And nothing is done about this. Nothing is done about it at all. I think it is time for the government to move and to move with some degree of vigor.

I was interested, for example, in some statistics that were presented about a year ago by the brief of the Manitoba government to the special committee on trends and food prices. They pointed out the processors' margin over producer prices between 1961 and 1972. For example, in 1961 it had been a 22-cent margin on fresh pork loin; by 1972 it was a 39-cent margin and by Feb. of 1973 it was a 53-cent margin. That's the kind of margin that is growing between what the producer is getting and what the processor is getting.

There are some other very interesting statistics to show you the kind of thing that happens to the farmer. I don't know whether I can lay my finger on it. The price of bread, for example: The price of bread in the 20-year period from the early 1950s to early 1970, went up by some three or four times; while the price of wheat was going down. The basic product was going down. It clearly shows that the farmer wasn't in a position in

the marketplace to get that to which he was entitled. But everybody else in the marketplace was getting his cut; so that the consumer ended up by paying three or four times as much for his purchase of goods from a raw product that actually was costing no more. That's the kind of situation that exists in the marketplace.

I draw to the attention of the minister an article that was carried in the early April issue of Maclean's magazine by Walter Stewart, who I learn is doing a book on food prices which should be out this fall. I think this one chapter from that book on the operation of Safeway will be very illuminating, because he is a very perceptive and incisive writer. Let me read very briefly here:

> What all this suggests for the consumer is that the cut-throat competition which supermarkets so anxiously tell us about is not likely in the long run to bring food prices down. In the shuffle for position among the food giants, the chief casualties are the independents. The net result of the price wars appear to be to cripple the independents and transfer the cost of the campaign against them onto everyone's grocery bill.

And he quotes Prof. R. E. Olley, vice-president of the Consumers Association of Canada, who drew this moral:

> Advertising by food chains and price wars are a sign of oligopoly, not competition. These rivalries result in self-cancelling advertising. They result in almost exclusive emphasis on very shiny, well-located retail store premises, where costs are borne by the consumer.

In western Canada, Safeway operates in such a ruthless and, admittedly from their standard, effective way in that they have eliminated many other supermarkets.

I say to the minister that they are moving into Ontario. What is the minister going to do about this whole business? Is he going to leave them dominant in the marketplace with no prices review at all so that both the consumer and farmer are going to continue to be the victims?

Hon. Mr. Stewart: Why do you get yourself carried away? What has Manitoba, where you have had this great NDP government that the member has preached about, done about Safeway? Not a blessed thing, and the member knows it.

Mr. Eaton: Manitoba is going into competition with credit unions!

Mr. Morningstar: Answer the question.

Mr. MacDonald: I am glad to see the hon. member for Welland is awake; and I am glad to remind the hon. member over there—

Hon. Mr. Stewart: Why doesn't the hon. member answer the question; it is directed to him? He can't answer it because there is no answer.

Mr. MacDonald: —that if the credit unions aren't serving all their needs, then the government is going to supplement the effort with something like the provincial bank which you have here but you leave withering on the vine.

Hon. Mr. Stewart: So they are going into competition with credit unions in Manitoba to put them out of business.

Mr. MacDonald: If the minister wants to make political hay out of that, go on. What the minister is distracting attention from is that in the Province of Ontario, with seven or eight million people, with the major headquarters of many of the food chains—

Hon. Mr. Stewart: But not Safeway; Safeway is in western Canada.

Mr. MacDonald: —with the major manufacturers of automobiles, you have the capacity to grapple with the situation in terms of pricing and its justification, not only to meet the needs of the people of the Province of Ontario but to meet the needs of all of Canada. Moving into one of the western provinces, which represent, in the instance of Saskatchewan for example less than a million people, isn't going to alter the picture greatly across the country.

Hon. Mr. Stewart: It is no wonder they all left when you fellows were in power out there.

Mr. MacDonald: Oh no, they didn't leave, they have been coming back.

Mr. P. D. Lawlor (Lakeshore): They left under the Liberals.

Mr. Cassidy: They left under R. B. Bennett as well.

Mr. MacDonald: Mr. Chairman, let me move on quickly because my time is fast ending. I wanted to deal with two more of the foundation stones. One of them is the whole question of rehabilitating rural economies. I know that we have an ARDA programme in the Province of Ontario and that

the ARDA programme is doing something. But it isn't halting the exodus off the land.

You have all the social costs of migration and of what happens to a rural community when you have fewer farmers who have to bear the costs. These people move into the city where perhaps they have to be retrained; and where they need housing, so there is more competition for housing. They may have left houses and buildings out in the country that are falling down. They come into the city and they have got to get a new home.

You have social costs at both ends. There is a gradual realization that the proposition of everybody rushing into the cities is not really creating the millennium. It is not necessarily creating the style of life and the way of life that we want in Canada. As part and parcel of it, there is a second look at this whole proposition that small farms are the kind of thing that have to be eliminated. There was the Olson plan, the so-called FARM, or whatever it was called—back about 1969 or 1970 in which they were going to spend $150 million to get rid of small farms.

There is a recognition by those who are more perceptive that we really need to bolster the way of life out in the rural areas and not chase the farmer off the farm into the cities. Many a farmer, for example, is in his own way a professional. He knows how to do many things. But take them out of the farm environment with their skills, some of which were acquired in the hard school of knocks and some from education and put them into the city, and those skills are wasted. I want to suggest to the minister that this government's policy is a policy of doing painfully little, too little to cope with this fundamental problem.

I was interested, for example, to have sent to me a copy of a letter that the minister wrote in reply to a young farmer down in Leeds county in eastern Ontario. I know the minister will be interested in this. He was 29 years of age, grew up on a dairy farm and wanted to go into dairying. He wrote to the minister and asked if there was some potential for assistance which might make that possible; for example such as the assistance available under the Farm Start programme in Saskatchewan or the Stay Option programme in Manitoba. What was the minister's reply, dated Feb. 7, 1974?

> This will acknowledge your letter of Jan. 30. To my knowledge there is no financial assistance available to start either a dairy farm or any other type of farm operation. There are, of course, many people who start on a rented farm or start by making an arrangement with a farmer on a shared basis.
>
> There are farmers approaching years where they would like to take it a little easier and yet don't want to stop farming, who might welcome someone offering help as far as the labour is concerned and gradually working into the business. I personally know of some such cases. Perhaps it would be worth exploring.
>
> Yours very truly,
>
> William A. Stewart,
>
> Minister of Agriculture and Food

Mr. Lawlor: Come on. Is that the best you can do?

Mr. MacDonald: That's really a scandalous kind of thing. And do you know what makes it ludicrous? I am now back to the earlier point I made. The minister talks with forked tongue, because in that speech in St. Thomas he made a comment:

> Frankly I feel we are going to have to develop our own dairymen. This means we must make the industry sufficiently attractive that young people will choose it as a profession.

The date was March 15, five weeks after he wrote a letter sloughing off an experienced, 29-year-old young farmer.

Hon. Mr. Stewart: I was not sloughing him off at all. I was simply saying to him that those were the facts of life.

Mr. MacDonald: I am sorry. If the minister wants to find some other word to describe the whole purport of that letter which, in effect was there is no help, go get hired by somebody—

Hon. Mr. Stewart: There are all kinds of fellows who are successful farmers who started out that way; right now.

Mr. MacDonald: Mr. Chairman, he sounds like dear old Dr. Dunlop of 15 years ago who contended that the best education was in the little red schoolhouse.

Hon. Mr. Stewart: It helps to have some security to put up.

Mr. Lawlor: That was 15 years ago and you are still living in those days.

Mr. MacDonald: We have passed that stage.

Hon. Mr. Stewart: Yes, sir!

Mr. MacDonald: We have passed the stage where we are going to have farmers hire

themselves out and work in. In some provinces, where they have the right kind of government and where there are Farm Start and Stay Option programmes, there are finances being provided by way of capital from the provincial government to bridge the gap between what is needed to start and what is ultimately available from normal sources. There are enough generous procedures for the payment of it that not only are they encouraging farmers to stay on the land but they are getting new farmers on the land. That's what you said down in St. Thomas, that we may have to develop farmers. Why in one month do you say you are developing farmers, when five weeks before you wrote a letter and sloughed off a man who wanted to stay?

Hon. Mr. Stewart: No; that is not what I said in St. Thomas.

Mr. MacDonald: What you are doing is reacting to a crisis and what I am pleading for is that you should have a long-term agricultural policy that can look one centimetre beyond the end of your nose. As the Minister of Agriculture and Food you must anticipate the problem and bring in the policies. If you have difficulty getting it through the Scrooges of Management Board or the rest of the cabinet, why don't you come and confess it? Why don't you confess that the Tory government can't do it for the farmers and then maybe get out of politics? But say so when you get out of politics because it's your obligation.

Mr. G. E. Smith (Simcoe East): The member had better clean his boots off.

Mr. Chairman: Would the hon. member keep an eye on the clock, please?

Mr. MacDonald: Yes. Mr. Chairman, I just want to mention, in view of the time, that there was a fifth—

Hon. Mr. Stewart: You have only given us three so far.

Mr. MacDonald: No I didn't. I gave you stabilization; I gave you the whole cost of inputs related to stabilization; I have given you the question of a price review mechanism for prices in farm costs. Fourth, I have given the whole question of rebuilding your rural economics and the need for some equivalent in Ontario of the kind of Farm Start and Stay Option programmes they have in western Canada. My fifth one was for the government finally to grasp the nettle and do something about land use.

Hon. Mr. Stewart: What was the fifth?

Mr. MacDonald: Land use; 25 per cent of the prime agricultural land has gone out of production in the last six years—since 1966—under a Tory government with no policies. It has been paved over. It has been sat on by developers. As the minister has said many times it has been taken up by city folk who want the homes and who sit, perhaps farming a little but usually not effectively, on the 95 acres out of the 100 they bought. All they need is the five for themselves and their home.

What is the government going to do about this? The minister has complained; he has lamented. He has made speeches every month almost regularly since last fall's ploughing match, that something has to be done about it. But what are you going to do about it? Is your land development programme the mechanism you are going to use to buy up this land and make it available for production? Are you going to reveal this secret? What is this germ of an idea of a land development programme?

I queried the people in TEIGA before the budget came down as to whether it might be used for this purpose, because I'm intensely interested in it. They said it might be, it could be. I'd like the Minister of Agriculture and Food to be talking about this kind of thing—

Hon. Mr. Stewart: Well, if you are around here next week, instead of out looking after your federal counterparts, you'll hear what I have to say.

Mr. MacDonald: Is that right?

Hon. Mr. Stewart: Yes, but you won't be here. You will be running around the province trying to elect an NDP government federally, which hasn't got a snowball's chance—

Mr. MacDonald: I have been waiting for a long time, and if you could run the business of this province—

Interjection by an hon. member.

Mr. MacDonald: Once again, the minister is doing his usual. When his position is weak, he indulges in irrelevant political rhetoric.

Hon. Mr. Stewart: Indeed, it isn't weak!

Mr. MacDonald: I'll read what you have to say. Then I'll take what you have to say out

on to the hustings a week or so from now in the election campaign.

Hon. Mr. Stewart: And distort it out of context.

Mr. MacDonald: I'll tell them about the inadequacies of this short-term ad hoc kind of approach to agriculture.

Hon. Mr. Stewart: You'll distort it out of context, as you have done in everything you have said this morning.

Mr. MacDonald: Both by this minister and his counterpart in Ottawa. They are both relatively helpless.

Mr. Chairman: Order, please. We are over our allotted time.

Mr. MacDonald: You are right, Mr. Chairman. Thank you.

Hon. Mr. Winkler moves that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report progress and asks for leave to sit again.

Report agreed to.

Hon. E. A. Winkler (Chairman, Management Board of Cabinet): Mr. Speaker, before I move the adjournment of the House, I would like to say that on Monday, if of course the reprint of Bill 25 is available to us, we will proceed with third reading of Bill 25 and third reading of Bill P20, respecting the city of Toronto; and then we will return to consideration of the estimates of the Ministry of Agriculture and Food. That procedure will be followed on through Tuesday. If perchance we should finish with the estimates of the Ministry of Agriculture and Food, we would then proceed to the bills that were announced last evening, including the routine that was announced a week ago last evening. I will announce any change on Monday evening.

Hon. Mr. Winkler moves the adjournment of the House.

Motion agreed to.

The House adjourned at 1:05 o'clock, p.m.

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